

23 July 2015

ASX Announcement: Appendix 4C

Australian Careers Network Limited (ACN) (ASX: ACO) has today lodged the Appendix 4C for the quarter ending 30 June 2015.

The Group generated \$6.3m of cash from operating activities for the June quarter, as the enrolments from VET FEE HELP courses were progressively paid, following the significant upfront investment and student procurement costs incurred for these courses, as noted in prior Appendix 4C's. Year to date the Group generated a small operating cash outflow of \$0.4m. The Group has since been paid an additional \$68.2m in progress payments on 17 July 2015 for VET FEE HELP and Vocational courses, of which \$54.8m relates to the June quarter.

The table below highlights the adjusted* year to date operating activities cash flows against the actual cash flows (as disclosed in the attached Appendix 4C), had the \$54.8m been received during the June quarter instead of on 17 July 2015.

	Year to date (12 months) Per 4c \$A'000	Year to date (12 months) Adjusted* \$A'000
Cash flows related to operating Activities		
Receipts from customers	57,070	111,901
Payments to suppliers and employees	(56,271)	(56,271)
Income taxes paid	(1,142)	(1,142)
Net Interest	(43)	(43)
	(386)	54,445

The Company held cash reserves of \$6.2m at the end of June. Had the Company received the \$54.8m before 30 June 2015, the cash balance would have been \$61.0m.

Student enrolments remain strong, particularly in the VET FEE HELP sector.

Corporate restructure at IPO and non-cash investing activities

As disclosed in previous Appendix 4C the corporate restructure of the Australian Careers Network Limited Group has involved a number of non-cash investing activities.

Under AASB3 "Business Combinations", acquisition accounting identified Community Training Initiatives Pty Ltd as the acquirer. Accordingly cash from operating activities generated by the acquired companies have only impacted the Group cash flows from 1 October 2014 i.e. the "as part of year to date" of the Appendix 4C Quarterly Report. Cash flows prior to that period represent cash flows of Community Training Initiatives Pty Ltd only.

A handwritten signature in black ink, appearing to read 'Ivan Brown', is positioned above the printed name.

Ivan Brown
Managing Director

For queries, please contact Australian Careers Network Limited on 03 8331 7890 or info@australiacareersnetwork.com.au

Australian Careers Network Group (ASX: ACO) is a full service vocational education and training provider encompassing student marketing and recruitment, direct and subcontracted education and training delivery (registered and non-registered), the issuing of registered qualifications, tracking, processing and reporting functions under the Australian Skills Quality Authority (**ASQA**) and the Victorian Registration and Qualifications Authority (**VRQA**).

Its primary services include workplace training and classroom based accredited certificates and diplomas, heavy equipment licensing, simulative and flexible learning, industry-experienced training and assessment and partnering with job seeking agencies to provide employment pathways to students seeking employment upon completion of a qualification.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

AUSTRALIAN CAREERS NETWORK LIMITED

ABN

98 168 592 434

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	34,745	57,070
1.2 Payments for (a) staff costs	(6,557)	(15,592)
(b) advertising and marketing	(1,036)	(4,206)
(c) research and development		
(d) leased assets		
(e) other working capital	(19,629)	(34,029)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	25	36
1.5 Interest and other costs of finance paid	(54)	(79)
1.6 Income taxes paid	(1,088)	(1,142)
1.7 Acquisition and Restructuring Costs	(84)	(2,444)
Net operating cash flows	6,322	(386)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	6,322	(386)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5) – net of cash acquired		(6,764)
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	(769)	(1,631)
(e) other non-current assets	(139)	(1,138)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		22
(e) other non-current assets		
1.11 Loans to other entities		
1.12 Loans repaid by other entities		
1.13 Other (earn out in respect of Smart Connection Company Pty Ltd acquisition)	(53)	(280)
Net investing cash flows	(961)	(9,791)
1.14 Total operating and investing cash flows	5,361	(10,177)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.		15,000
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		1,400
1.18 Repayment of borrowings	(1,355)	(1,561)
1.19 Dividends paid		
1.20 Cost of raising funds		(1,237)
Net financing cash flows	(1,355)	13,602
Net increase (decrease) in cash held	4,006	3,425
1.21 Cash at beginning of quarter/year to date	2,228	2,809
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	6,234	6,234

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(43)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Payment in respect of directors fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Refer to explanatory notes attached.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Reconciliation of cash


Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	6,234	2,228
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	6,234	2,228

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 23/07/2015
(Director/Company secretary)

Print name: DAVID GREEN

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.