

1. Company details

Name of entity:	Vocation Limited
ABN:	95 166 631 330
Reporting period:	For the half-year ended 31 December 2014
Previous period:	For the half-year ended 31 December 2013

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	9.3% to	57,746
Underlying EBITDA	down	11.1% to	1,600
Loss from ordinary activities after tax attributable to the owners of Vocation Limited	up	>100% to	(272,583)
Loss for the half-year attributable to the owners of Vocation Limited	up	>100% to	(272,583)

Dividends

On 10 October 2014 the consolidated entity paid a fully franked final dividend of 3.2 cents per ordinary share for the year ended 30 June 2014. The record date for determining dividend entitlements was 1 September 2014.

There were no other dividends paid, recommended or declared for the half-year ended 31 December 2014.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$272,583,000 (31 December 2013: \$1,029,000).

Further information on the review of operations, financial position and future strategies is contained in the results presentation.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(32.43)	10.34

The net tangible assets per ordinary share for the previous period is calculated based on 230,000,000 ordinary shares on issue as at 31 December 2014 (200,000,000 ordinary shares on issue as at 31 December 2013).

4. Control gained over entities

Name of entities (or group of entities)	Endeavour College of Natural Health
Date control gained	1 July 2014

	\$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	2,268
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	6,533

Refer to note 12 to the financial statements, "Business combinations" for further details.

5. Loss of control over entities

Not applicable.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report, modified with an emphasis of matter paragraph regarding going concern, is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of Vocation Limited for the half-year ended 31 December 2014 is attached.

11. Signed

Signed  _____

Stewart Cummins
Chief Financial Officer
Sydney

Date: 2 March 2015

Vocation Limited

ABN 95 166 631 330

Interim Report - 31 December 2014

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Vocation Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2014.

Directors

The following persons were directors of Vocation Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Douglas Halley - Independent Non-Executive Chairman (appointed as Chairman on 26 November 2014)

Mark Hutchinson - Managing Director and CEO

Steve Tucker

Michelle Tredenick

John Dawkins AO - previous Chairman (resigned on 26 November 2014)

Principal activities

During the financial half-year the principal continuing activity of the consolidated entity was that of a full-service private vocational education and training service ('VET') provider, operating across all levels of the VET sector value chain including front-end student recruitment, education and training delivery and back-end student management. Through the acquisition of Endeavour College of Natural Health and Australian School of Management Pty Ltd, the consolidated entity also delivers higher education courses (bachelor's degrees and higher) across a range of high demand, future growth areas.

Review of operations

The statutory loss for the consolidated entity after income tax amounted to \$272,583,000 (31 December 2013: \$1,029,000).

	Statutory		Underlying Adjustments		Underlying	
\$'millions	1H 15	1H 14	1H 15	1H 14	1H 15	1H 14
Revenue	57.7	52.8	(10.2)	(44.3)	47.5	8.5
Expenses	(82.2)	(52.7)	36.3	46.0	(45.9)	(6.7)
EBITDA	(24.5)	0.1	26.1	1.7	1.6	1.8
Depreciation and amortisation	(7.6)	(1.0)	2.1	0.3	(5.5)	(0.7)
Net interest expense	(2.9)	-	0.6	-	(2.3)	-
Net (loss)/profit before tax and impairment	(35.0)	(0.9)	28.8	2.0	(6.2)	1.1
Impairment of goodwill and intangible assets	(240.7)	-	240.7	-	-	-
(Loss)/profit from before income tax	(275.7)	(0.9)	269.5	2.0	(6.2)	1.1
Income tax benefit/(expense)	3.1	(0.1)	(3.7)	(0.7)	(0.6)	(0.9)
(Loss)/profit after income tax	(272.6)	(1.0)	265.8	1.3	(6.8)	0.2
Weighted average number of shares (millions)	219.5	100.2			219.5	100.2
Basic earnings per share (cents)	(124.1)	(1.0)			(3.1)	0.3

The use of the term 'Statutory' refers to IFRS financial information and 'Underlying' to non-IFRS financial information. Underlying earnings are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information, issued in December 2011. Underlying Adjustments have been considered in relation to their size and nature, and have been adjusted from the Statutory information for disclosure purposes to assist readers to better understand the financial performance of the underlying business in each reporting period. These adjustments and the comparatives are assessed on a consistent basis year-on-year and include both favourable and unfavourable items. The exclusion of these items provides a result which, in the Directors' view, is more closely aligned with the ongoing operations of the consolidated entity.

The following table reconciles the adjustments to Loss After Income Tax (Attributable to Ordinary Equity Holders) to Underlying Profit after Income Tax (Attributable to Ordinary Equity Holders):

NPAT Underlying Adjustments			
\$'000	Notes	1H 15	1H 14
Statutory loss after income tax		(272.6)	(1.0)
Impairment of goodwill and intangible assets	1	(224.7)	-
Discontinued businesses	2	(30.2)	7.6
One-off costs	3	(10.9)	(8.9)
Underlying NPAT		(6.8)	0.3

- 1 Relates to impairment of Goodwill and Intangible assets (refer to note 5 for details)
- 2 Relates to results of the BAWM and Aspin businesses which have been discontinued post year end (refer to note 11 for details). This also includes the proportion of the impairment charge that relates to BAWM and Aspin (\$15,985,000), bringing the total impairment charge to \$240,725,000.
- 3 Relates to \$5,500,000 of provision for potential refunds of government funding previously received, \$1,700,000 of professional and legal costs in relation to the DEECD review and litigation matters in relation to but not limited to the review, \$600,000 of additional bank fees in relation to amendments to the financing arrangements and the balance relating to restructuring costs. (2013: IPO related costs).

The attached financial statements detail the financial performance and financial position of the consolidated entity for the financial half-year ended 31 December 2014. It also contains an independent auditor's review report which includes an emphasis of matter paragraph in regard to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern. For further information, refer to note 1 to the financial statements, together with the independent auditor's review report.

Significant changes in the state of affairs

Significant changes in the state of affairs of the consolidated entity during the half year were as follows.

Acquisition of Endeavour College of Natural Health

On 1 July 2014, the consolidated entity acquired 100% of the issued share capital of Endeavour College of Natural Health ('Endeavour'), one of Australia's leading providers of higher education and vocational training in the health and wellness sector. Endeavour was acquired for a total consideration of \$82,738,000 (net of cash acquired). The details and financial impact of this acquisition is disclosed in note 12.

Placement

On 11 September 2014 the consolidated entity issued 24,294,952 shares to institutional shareholders for total proceeds of \$74,000,000. Details of all movements in contributed equity are disclosed in note 8 of the financial statements.

Regulatory Review and Restructure of Victorian businesses

In September 2014, two of Vocation's Registered Training Organisations' ('RTOs'), Aspin Pty Limited ('Aspin') and BAWM Pty Limited ('BAWM'), were the subject of review by the Victorian Department of Education and Early Childhood Development ('DEECD'). The DEECD's review focused on two qualifications conducted by BAWM and one qualification conducted by Aspin for which the consolidated entity received funding under contracts with the DEECD for the period 1 January to 27 October 2014. As a result of the review's findings and the ensuing commercial negotiations, it was agreed that the consolidated entity would forfeit \$19,676,000 of funding (refer to note 3 for details). BAWM is liaising with the Victorian Regulation and Qualifications Authority in relation to the deregistration process and is attending to any issues or procedures that may be necessary before BAWM is formally deregistered.

Acquisition of the remaining 50% of Australian School of Management

On 22 October 2014 the consolidated entity exercised the call option to acquire the remaining 50% of the Australian School of Management ('ASM') for \$2,460,000. ASM is based in Western Australia and has strong contractual and operational links with ACAE which is also owned by the consolidated entity.

Amendment to facility agreement

On 24 December 2014, the consolidated entity amended the terms of its existing loan facility with its lenders. This amendment reduced the total facility size to \$88,000,000, but maintained the existing tenor to May 2017 with certain waivers and additional conditions. This required the repayment of \$35,000,000 from cash reserves, including further repayments of \$10,000,000 by 30 June 2015. Refer note 7 for details of developments and changes since half-year end.

Strategic review

At the beginning of January 2015 the consolidated entity, with the assistance of its advisors, commenced a strategic review of the consolidated entity's businesses and operations including its capital structure. The review is currently ongoing and it is anticipated it will be concluded by 31 March 2015 and will include recommending the potential sale of one or more of the consolidated entity's businesses and commensurate deleveraging of its balance sheet.

Over 30 expressions of interest have been received, including from a number of the major global and national providers in the sector. Accordingly the consolidated entity, with the assistance of its advisor 333 Capital, has commenced a formal competitive sale process in respect of certain businesses with a view to obtaining firm offers for the board's consideration.

Prior period restatement

As a result of the DEECD settlement and an arguable misinterpretation of facts at the time in relation to the likely quantum of the DEECD settlement and due to the increased uncertainty in light of the recent developments arising from the DEECD review, certain revenue has been derecognised and prior period comparatives have been restated (refer to note 3 for details).

Subsequent events

Refer to note 13, events after the reporting period, for further details.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts

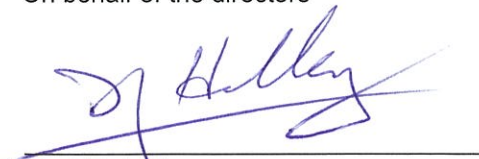
The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Douglas Halley
Director

2 March 2015
Sydney



Auditor's Independence Declaration

As lead auditor for the review of Vocation Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Vocation Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to be 'Steve Bourke'.

Steve Bourke
Partner
PricewaterhouseCoopers

Sydney
2 March 2015

Contents

Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Directors' declaration	26
Independent auditor's review report to the members of Vocation Limited	27

General information

The financial statements cover Vocation Limited as a consolidated entity consisting of Vocation Limited and its subsidiaries. The financial statements are presented in Australian dollars, which is Vocation Limited's functional and presentation currency.

Vocation Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 15, 1 Pacific Highway
North Sydney, NSW 2060

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 2 March 2015.

Vocation Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2014



		Consolidated	
	Note	31/12/2014	31/12/2013
		\$'000	\$'000
Revenue		57,746	52,823
Expenses			
Staff and contractor costs		(32,663)	(12,751)
Course delivery costs		(22,612)	(21,259)
Depreciation and amortisation expense		(7,620)	(1,016)
Impairment of goodwill and intangible assets	5	(240,725)	-
External student acquisition costs		(2,865)	(1,528)
Occupancy costs		(6,742)	(1,054)
IPO and transactions costs		(242)	(9,055)
Share-based payments		(28)	(3,706)
Other expenses		(16,707)	(3,360)
Finance costs		(3,273)	(2)
Loss before income tax (expense)/benefit		(275,731)	(908)
Income tax (expense)/benefit		3,148	(121)
Loss after income tax expense for the half-year attributable to the owners of Vocation Limited		(272,583)	(1,029)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		15	-
Other comprehensive income for the half-year, net of tax		15	-
Total comprehensive income for the half-year attributable to the owners of Vocation Limited		(272,568)	(1,029)
		Cents	Cents
Basic earnings per share	14	(124.17)	(1.03)
Diluted earnings per share	14	(124.17)	(1.03)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Vocation Limited
Statement of financial position
As at 31 December 2014



		Consolidated	Restated
	Note	31/12/2014	30/06/2014
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents		19,066	21,745
Trade and other receivables		42,485	36,777
Inventories		512	-
Income tax receivable		1,855	-
Total current assets		<u>63,918</u>	<u>58,522</u>
Non-current assets			
Property, plant and equipment		9,690	2,340
Intangibles		88,519	253,792
Total non-current assets		<u>98,209</u>	<u>256,132</u>
Total assets		<u>162,127</u>	<u>314,654</u>
Liabilities			
Current liabilities			
Trade and other payables		22,937	41,001
Borrowings	6	85,364	72
Income tax		-	443
Employee benefits		2,351	1,296
Provisions		14,458	11,989
Deferred revenue		22,840	2,776
Total current liabilities		<u>147,950</u>	<u>57,577</u>
Non-current liabilities			
Borrowings	7	-	42,593
Derivative financial instruments		-	2,460
Deferred tax		-	56
Provisions		252	-
Total non-current liabilities		<u>252</u>	<u>45,109</u>
Total liabilities		<u>148,202</u>	<u>102,686</u>
Net assets		<u>13,925</u>	<u>211,968</u>
Equity			
Issued capital	8	302,937	221,442
Reserves		(1,682)	(1,220)
Accumulated losses		(287,330)	(8,254)
Total equity		<u>13,925</u>	<u>211,968</u>

Refer to note 3 for detailed information on restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

Vocation Limited
Statement of changes in equity
For the half-year ended 31 December 2014



	Issued capital \$'000	Reserves \$'000	Retained profits/ (Accumulated losses) \$'000	Total equity \$'000
Consolidated				
Balance at 1 July 2013	-	-	4,737	4,737
Loss after income tax (expense)/benefit for the half-year	-	-	(1,029)	(1,029)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,029)	(1,029)
<i>Transactions with owners in their capacity as owners:</i>				
IPO and capital re-organisation	214,442	(1,685)	(1,692)	211,065
Share-based payments	-	465	-	465
Dividends paid (note 9)	-	-	(9,510)	(9,510)
Balance at 31 December 2013	214,442	(1,220)	(7,494)	205,728
	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Consolidated				
Balance at 1 July 2014	221,442	(1,220)	3,499	223,721
Adjustment for correction of error (note 3)	-	-	(11,753)	(11,753)
Balance at 1 July 2014 - restated	221,442	(1,220)	(8,254)	211,968
Loss after income tax (expense)/benefit for the half-year	-	-	(272,583)	(272,583)
Other comprehensive income for the half-year, net of tax	-	15	-	15
Total comprehensive income for the half-year	-	15	(272,583)	(272,568)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	81,495	-	-	81,495
Share-based payments	-	28	-	28
Capital re-organisation	-	(505)	-	(505)
Dividends paid (note 9)	-	-	(6,493)	(6,493)
Balance at 31 December 2014	302,937	(1,682)	(287,330)	13,925

The above statement of changes in equity should be read in conjunction with the accompanying notes

Vocation Limited
Statement of cash flows
For the half-year ended 31 December 2014



		Consolidated	
	Note	31/12/2014	31/12/2013
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		76,080	50,677
Payments to suppliers (inclusive of GST)		(95,635)	(40,013)
Interest received		365	32
Interest and other finance costs paid		(2,166)	(2)
Income taxes paid		(2,188)	(2,921)
Net cash from/(used in) operating activities		(23,544)	7,773
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	12	(82,738)	(121,067)
Payments for property, plant and equipment		(1,339)	(300)
Payments for intangibles		(859)	(1,032)
Payments for purchase of remaining interest in ASM		(2,460)	-
Proceeds from sale of property, plant and equipment		-	13
Net cash used in investing activities		(87,396)	(122,386)
Cash flows from financing activities			
Proceeds from issue of shares	8	74,000	149,675
Payment of transaction costs incurred in relation to IPO		-	(9,147)
Share issue transaction costs		(1,570)	-
Proceeds from borrowings		77,324	-
Dividends paid		(6,493)	(9,510)
Repayment of borrowings		(35,000)	-
Net cash from financing activities		108,261	131,018
Net increase/(decrease) in cash and cash equivalents		(2,679)	16,405
Cash and cash equivalents at the beginning of the financial half-year		21,745	729
Cash and cash equivalents at the end of the financial half-year		19,066	17,134

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Comparatives

As explained in the 30 June 2014 Annual Report, these consolidated financial statements have been prepared as a continuation of the financial statements of BAWM Pty Limited ('BAWM') (former parent entity). Consequently, comparative information presented within these financial statements for the half-year ended 31 December 2013 represents an aggregate of the results of BAWM for the period from 1 July 2013 to 14 November 2013 as a single entity and the Vocation consolidated group for the period 15 November 2013 (date of group restructure and date that Vocation Limited became the legal parent entity) to 31 December 2013. Comparative information relating to the statement of financial position represents that of the Vocation consolidated group as at 30 June 2014, which has been restated. Refer to note 3.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity during the financial half-year ended 31 December 2014 and are not expected to have any significant impact for the full financial year ending 30 June 2015. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

At 31 December 2014 the consolidated entity had a net current liability of \$84,032,000 (30 June 2014: net current assets of \$945,000) and during the half-year recorded a loss after income tax of \$272,583,000 (31 December 2013: \$1,029,000) and net cash outflows from operating activities of \$23,544,000 (31 December 2013: net cash inflows of \$7,773,000).

As at 31 December 2014, the consolidated entity had debt facilities totalling \$88,000,000 (utilised \$87,547,000) with Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation (the 'MLAs').

As a consequence of its operating results for the half year ended 31 December 2014 and expected FY15 revised forecasts, the consolidated entity was in default under the terms of the Second Amendment Agreement and the whole of the consolidated entity's borrowings have accordingly been classified as current liabilities in the Interim Report such that the consolidated entity has presented a net current liability position of \$84,032,000.

Subsequent to year end on 23 February 2015, the consolidated entity has completed negotiations to amend the terms of its loan facility with the MLAs.

The new arrangements provide stability while the consolidated entity completes its strategic review and allows time for the company to align its capital structure with its future business activities.

The loan facility limit of \$85,000,000 under Facility A and bank guarantee limit of \$3,000,000 under Facility B remain unchanged from the Second Amendment Agreement. The facility maturity date is now 30 May 2016 (previously 30 May 2017). There is an obligation to materially deleverage the consolidated entity's balance sheet and meet certain milestones by no later than 30 May 2015. The consolidated entity has available to it a number of potential options to allow it to satisfy this requirement. The Board and its advisor 333 Capital are exploring a sale of part or all of several assets over the coming period. Further details of the new arrangements are outlined in note 7.

Note 1. Significant accounting policies (continued)

The viability of the consolidated entity and its ability to continue as a going concern and meet its debt commitments as they fall due is dependent upon ongoing support from the MLAs (consistent with the terms of the Third Amendment Agreement as set out in note 7) and the outcome of the contingent liability matters described in note 13.

In considering the current status of the strategic review, strong interest by external parties in the consolidated entity's assets, together with the ongoing support of its MLAs (as announced on 23 February 2015) and subject to the consolidated entity's ability to generate sufficient future operating cash flows, the directors are of the opinion that the consolidated entity has the intent and ability to continue as a going concern and accordingly, have prepared the financial report on a going concern basis. Furthermore, the directors are of the opinion that the contingent liability matters will be satisfactorily resolved. Notwithstanding this belief, there is a risk that the consolidated entity may not be successful in implementing these initiatives or the implementation of alternative options which may be available to the consolidated entity. As a result of these matters, there are material uncertainties that may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Such judgements, estimates and assumptions are consistent with those applied in the last annual report except as stated below:

Revenue recognition

The consolidated entity uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the costs incurred to date compared to the estimated total costs to service the contract. Significant assumptions are required to estimate the total costs and the stages of the contract they are incurred in, the progression of students and costs incurred to date and attrition rates during the various stages of progression. In making these estimates, management has considered the consolidated entity's compliance with contractual and regulatory requirements and interpretations and of past experience on actual costs incurred in various phases of progression in a student life cycle and attrition rates.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows arising from the intended use of assets. The value in use calculations used at half year take into account the strategic review described in note 1 and options, such as asset sales available to the entity.

Note 3. Restatement of comparatives

Restatement of revenue and receivables

In September 2014, two of Vocation's Registered Training Organisations (RTOs), Aspin Pty Limited (Aspin) and BAWM Pty Limited (BAWM), were the subject of review by the Victorian Department of Education and Early Childhood Development (DEECD). The DEECD's review focused on two qualifications conducted by BAWM and one qualification conducted by Aspin for which the consolidated entity received funding under contracts with the DEECD for the period 1 January 2014 to 27 October 2014. As a result of the review's findings and the ensuing commercial negotiations, it was agreed that the consolidated entity would forfeit \$19,676,000 of funding. As a result of the DEECD settlement and an arguable misinterpretation of facts at the time in relation to the likely quantum of the DEECD settlement, certain revenue has been derecognised and prior period comparatives have been restated

In light of the settlement, the consolidated entity has reviewed the accounting treatment of all revenue recognised in previous periods to ensure that it was recognised appropriately. This review has necessitated the use of significant judgements and estimates as described in note 2.

As a result of this review the consolidated entity has identified and reversed certain revenue which based on its further analysis is considered not to have met the revenue recognition criteria contained in AASB118: Revenue at 30 June 2014. The financial effect of the reversal is to reduce revenue and profit before tax for the year to 30 June 2014 by \$17,964,000 and \$16,790,000 respectively. Correction to the revenue recognised in the year to 30 June 2014 has been adjusted by restating each of the affected financial statement line items for the prior period presented as follows:

Statement of financial position at the end of the previous period

	30/06/2014 \$'000 Reported	Consolidated \$'000 Adjustment	30/06/2014 \$'000 Restated
Extract			
Assets			
Current assets			
Trade and other receivables	44,029	(7,252)	36,777
Total current assets	65,774	(7,252)	58,522
Total assets	321,906	(7,252)	314,654
Liabilities			
Current liabilities			
Trade and other payables	43,429	(2,428)	41,001
Income tax	3,630	(3,187)	443
Provisions	23	11,966	11,989
Total current liabilities	51,226	6,351	57,577
Non-current liabilities			
Deferred tax	1,906	(1,850)	56
Total non-current liabilities	46,959	(1,850)	45,109
Total liabilities	98,185	4,501	102,686
Net assets	223,721	(11,753)	211,968
Equity			
Accumulated losses	3,499	(11,753)	(8,254)
Total equity	223,721	(11,753)	211,968

Note 3. Restatement of comparatives (continued)

The restatement relates to the period from 1 January 2014 to 30 June 2014. Therefore opening retained earnings as at 1 July 2014 has been restated together with the 30 June 2014 comparative statement of financial position. The restatement did not affect the comparative statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity or earnings per share for the six month period to 31 December 2013.

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity was organised into two operating segments during the financial half-year ended 31 December 2014: private vocational education and training service provider ('VET') and higher education ('HE'). These operating segments are based on the internal reports that are reviewed and used by the Executive Committee (who are identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources.

The consolidated entity operated under only one segment being VET during the year ended 30 June 2014. The consolidated entity operates predominantly in one geographical region being Australia.

The CODM reviews adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and impairment of assets). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Operating segment information

	VET \$'000	Higher education \$'000	Corporate/Inter- segment eliminations/ unallocated \$'000	Total \$'000
Consolidated - 31/12/2014				
Revenue				
Sales to external customers	33,107	28,493	(3,854)	57,746
Total revenue	<u>33,107</u>	<u>28,493</u>	<u>(3,854)</u>	<u>57,746</u>
Adjusted EBITDA	<u>(22,989)</u>	<u>4,654</u>	<u>(6,150)</u>	<u>(24,485)</u>
Depreciation and amortisation				(7,620)
Impairment of assets				(240,725)
Interest revenue				372
Finance costs				(3,273)
Loss before income tax benefit				<u>(275,731)</u>
Income tax benefit				3,148
Loss after income tax benefit				<u>(272,583)</u>
Assets				
Segment assets	43,040	106,072	13,015	162,127
Total assets				<u>162,127</u>
Liabilities				
Segment liabilities	30,566	28,399	89,237	148,202
Total liabilities				<u>148,202</u>

Note 4. Operating segments (continued)

	VET \$'000
Consolidated - 31/12/2013	
Revenue	
Sales to external customers	52,823
Total revenue	<u>52,823</u>
Adjusted EBITDA	78
Depreciation and amortisation	(1,016)
Interest revenue	32
Finance costs	(2)
Loss before income tax expense	<u>(908)</u>
Income tax expense	(121)
Loss after income tax expense	<u>(1,029)</u>
Consolidated - 30/06/2014	
Assets	
Segment assets	314,654
Total assets	<u>314,654</u>
Liabilities	
Segment liabilities	102,686
Total liabilities	<u>102,686</u>

Note 5. Expenses

Consolidated	
31/12/2014	31/12/2013
\$'000	\$'000

Loss before income tax includes the following specific expenses:

Impairment

Impairment of goodwill and other intangibles

240,725	-
---------	---

i) Key assumptions used for value-in-use calculations

The consolidated entity tests whether goodwill has suffered any impairment on an annual basis, or more frequently if required. The recoverable amount of a cash generating unit ('CGU') is determined based on value-in-use (VIU) calculations which reflect the intended use of the assets within the CGU and require the use of assumptions.

The calculations are based on EBITDA sourced from management approved forecasts for 2015, extended to 5 years and then terminal growth rates applied as stated below.

The following table sets out the key assumptions for those segments that have significant goodwill allocated to them:

	Growth (yrs 2-5)	Terminal Growth Rate	Discount Rate
VET	0.0%	0.0%	17.1%
Higher Education (HE)	5.4%*	2.5%	14.6%

*Sourced from Independent Industry Report

Subsequent to half-year end and as noted in the events after the reporting period in note 13, the consolidated entity commenced a strategic review of its businesses and operations and it is likely if not probable that the value of a number of the assets within the consolidated entity is considered to be recoverable through near term sale which has been factored into the VIU calculations. The terminal value calculations incorporate the expected sale proceeds arising from the disposal of the businesses.

These assumptions have been used for the analysis of each CGU. Management determined forecast EBITDA based on past performance and expectations for the future. The growth rates used for the HE CGU are consistent with long term industry growth rates. The growth rates used for the VET CGU reflects the uncertainty of the future cashflows due to the regulatory matters that have affected that business. The discount rates used reflect risks relating to the relevant businesses and their forecasts.

ii) Impairment charge

Of the total impairment charge of \$240,725,000, \$228,725,000 of the impairment charge relates to VET and \$12,000,000 relates to HE. The impairment was a result of the DEECD settlement, the decision to close down BAWM and Aspin, and the consequent weakening on other parts of the business.

Impact of possible changes in key assumptions

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill.

Should these judgements and estimates not occur, the resulting carrying amount of goodwill and other non-current assets may decrease. The key sensitivity to the valuation of both segments is the level of forecast EBITDA, expected sale proceeds that have been factored into the VIU terminal value calculations and discount rates. Any changes in these key sensitivities could result in a further impairment charge.

Note 6. Current liabilities - borrowings

	Consolidated	
	31/12/2014	30/06/2014
	\$'000	\$'000
Bank loans	85,000	-
Equipment finance	295	-
Hire purchase	60	72
Lease liability	9	-
	<u>85,364</u>	<u>72</u>

Refer to note 7 for further information on assets pledged as security and financing arrangements.

Note 7. Non-current liabilities - borrowings

	Consolidated	
	31/12/2014	30/06/2014
	\$'000	\$'000
Bank loans	-	42,593

Vocation Limited - Facilities Agreement and First Amendment Agreement

During FY14, the consolidated entity entered into a facilities agreement dated 30 May 2014 comprising \$100,000,000 under Facility A and \$3,000,000 under Facility B with the Commonwealth Bank of Australia, National Australia Bank and Westpac Banking Corporation ('MLAs'). This was amended by the First Amendment Agreement dated 6 June 2014 to increase the facility to \$123,000,000 (\$120,000,000 under Facility A and \$3,000,000 under facility B) to fund the acquisition of Endeavour Learning Group Pty Ltd on 1 July 2014.

Facility A was a three year cash advance facility that can be used by the consolidated entity towards financing Permitted Acquisitions (as defined in the Facilities Agreement) and associated costs, fees and expenses or to fund capital expenditure for the day to day operations and the general corporate purposes of the consolidated entity. Facility B was a three year bank guarantee facility that can be used towards the issuance of bank guarantees.

The loans were subject to certain covenants which included maintaining interest cover and gearing ratios at certain levels.

Second Amendment Agreement

On 24 December 2014, the consolidated entity amended the terms of its existing loan facility (Second Amendment) with its MLAs.

The Second Amendment retained the existing three year tenor but required repayment and cancellation of \$35,000,000 of the Facility Limit utilising part of the consolidated entity's cash reserves.

As part of the Second Amendment, the MLAs waived certain defaults arising from the existing loan covenants with respect to the calculation date falling on 31 December 2014 in addition to any review events as a consequence of the termination of the BAWM and Aspin funding agreements pursuant to the Deed of Settlement with the DEECD (see note 3).

The consolidated entity agreed to make prepayments of Facility A of \$5,000,000 by 30 April 2015 and another \$5,000,000 by 30 June 2015.

Note 7. Non-current liabilities - borrowings (continued)

Developments post 31 December 2014 – Third Amendment Agreement

As a consequence of its operating results for the half year ended 31 December 2014 and expected revised FY15 forecasts, the consolidated entity was in default under the terms of the Second Amendment and the whole of the consolidated entity's borrowings have been accordingly been classified as current liabilities in the statement of financial position of the consolidated entity at 31 December 2014.

Subsequent to half-year end, the consolidated entity has completed negotiations to amend the terms of its loan facility with the MLAs. The new arrangements provide stability while the consolidated entity completes its strategic review and allows time for the consolidated entity to align its capital structure with its future business activities.

The loan facility limit of \$85,000,000 under Facility A and bank guarantee limit of \$3,000,000 under Facility B remain unchanged from the Second Amendment. The facility maturity date is now 30 May 2016 (previously 30 May 2017). There is an obligation to materially deleverage the consolidated entity's statement of financial position and meet certain milestones by no later than 30 May 2015. The consolidated entity has available to it a number of potential options to allow it to satisfy this. The Board and its advisor 333 Capital are exploring a sale of part or all of several assets over the coming months.

As part of the new arrangements, the consolidated entity will bring forward the prepayment of \$5,000,000 to 20 March 2015 from 30 April 2015 (the additional prepayment date of 30 June 2015 remains unchanged) and is required to: provide regular reporting to the MLAs on cash balances, litigation and disputes; maintain or be covered by insurances necessary for it to properly carry on its business; and continue to be registered as an RTO by the relevant Federal or State regulatory bodies.

The Third Amendment also requires proceeds of any future capital raising or asset sales to be first applied towards reducing existing debt levels and a requirement to prepare a sustainable capital structure proposal for discussion with its MLAs by the earlier of 30 May 2015 or within 10 business days following the completion of the actions undertaken to materially deleverage its balance sheet.

Additional security obligations, including requiring certain subsidiaries to accede to the amended loan facility as guarantors and provide security on the same terms as existing group security arrangements, are also part of the new arrangements.

Total secured liabilities

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

	Consolidated	
	31/12/2014	30/06/2014
	\$'000	\$'000
Bank loans	85,000	42,593
Hire purchase	60	72
Lease liability	9	-
Equipment finance	295	-
	<u>85,364</u>	<u>42,665</u>

Assets pledged as security

The bank loans are secured by guarantees and indemnities as well as a charge over the issued capital of the company's subsidiaries.

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

Note 7. Non-current liabilities - borrowings (continued)

Bank loans

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

	Consolidated	
	31/12/2014 \$'000	30/06/2014 \$'000
Total facilities		
Bank loans	85,000	120,000
Bank guarantee	3,000	3,000
	<u>88,000</u>	<u>123,000</u>
Used at the reporting date		
Bank loans	85,000	42,593
Bank guarantee	2,547	-
	<u>87,547</u>	<u>42,593</u>
Unused at the reporting date		
Bank loans	-	77,407
Bank guarantee	453	3,000
	<u>453</u>	<u>80,407</u>

Note 8. Equity - issued capital

	Consolidated			
	31/12/2014 Shares	30/06/2014 Shares	31/12/2014 \$'000	30/06/2014 \$'000
Ordinary shares - fully paid	<u>230,000,000</u>	<u>202,899,894</u>	<u>302,937</u>	<u>221,442</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2014	202,899,894		221,442
Share placement	11 September 2014	24,294,952	\$3.05	74,000
Issue of shares as part payment for business acquired	3 September 2014	2,805,154	\$3.05	8,564
Transaction costs, net of taxation		-	\$0.00	(1,069)
Balance	31 December 2014	<u>230,000,000</u>		<u>302,937</u>

Note 9. Equity - dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31/12/2014 \$'000	31/12/2013 \$'000
Final dividend for the year ended 30 June 2014 (2013: 30 June 2013) of 3.2 cents (2013: \$792,500) per ordinary share	<u>6,493</u>	<u>9,510</u>

On 10 October 2014, the consolidated entity paid a fully franked final dividend of 3.2 cents per ordinary share for the year ended 30 June 2014. The record date for determining dividend entitlements was 1 September 2014.

There were no other dividends paid, recommended or declared for the half-year ended 31 December 2014.

Note 10. Fair value measurement

Fair value hierarchy

The carrying values of financial assets and financial liabilities presented in these financial statements represent a reasonable approximation of fair value.

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 30/06/2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Liabilities</i>				
Contingent consideration	-	-	8,900	8,900
Put/call option	-	-	2,460	2,460
Total liabilities	-	-	11,360	11,360

There were no transfers between levels during the financial half-year. There were no items measured or disclosed at fair value at 31 December 2014

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Contingent consideration \$'000	Put/call option \$'000	Total \$'000
Balance at 1 July 2014	8,900	2,460	11,360
Settled in equity/cash	(8,650)	(2,460)	(11,110)
Recognised in profit or loss	(250)	-	(250)
Balance at 31 December 2014	-	-	-

Note 11. Contingent liabilities

The consolidated entity had contingent liabilities at 31 December 2014 in respect of:

(a) Restructure of the Victorian Business

The consolidated entity is taking steps to close one of its Victorian Registered Training Organisations ("RTO"), BAWM Pty Ltd ("BAWM"). To that end, BAWM has now formally applied to the Victorian Regulation and Qualifications Authority ("VRQA") for deregistration as an RTO. BAWM is liaising with the VRQA in relation to that process and attending to any issues or procedures that may be necessary before BAWM is formally deregistered.

(b) Regulatory audits and reviews

The consolidated entity is subject to a wide range of quality and compliance standards, and participates in regular audits by various third parties (primary government authorities or their nominees). At the current time a number of audits are under way or the results and conclusion have not yet been determined. It is possible that the consolidated entity may have some potential financial liability in the event of an adverse audit outcome.

(c) Class actions

The consolidated entity has been served with notice of commencement of a class action by two parties (JWC Webster and M Karageorgiou) and threatened with proceedings by another (Maurice Blackburn). The consolidated entity denies any liability and intends to vigorously defend these class actions. The financial effect, if any, is unable to be quantified at this time.

Where possible, the consolidated entity has recognised its best estimate of the potential effect of these matters based on information and legal advice available. For other matters, it is not practical to reliably estimate the potential effect of outcome of any of the above at this stage of each matter.

Note 12. Business combinations

On 1 July 2014, the consolidated entity acquired 100% of the issued share capital of Endeavour College of Natural Health ("Endeavour"), one of Australia's leading providers of higher education and vocational training in the health and wellness sector.

The acquisition diversified the consolidated entity's revenue sources as Endeavour currently attracts only a low amount of state funding. The acquisition also significantly strengthens the consolidated entity's position in the higher education market, broadens its educational offering by providing further exposure in the growing health and wellness sector, and delivers an established and high quality national campus footprint which significantly improves the consolidated entity's overall geographic exposure.

Acquisition related costs

Acquisition related costs of \$3,316,000 are included in transaction costs in profit or loss and in operating cash flows in the statement of cash flows in the year ended 30 June 2014.

Note 12. Business combinations (continued)

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Fair value \$'000
Cash and cash equivalents	206
Trade receivables	20,921
Inventories	406
Other current assets	975
Plant and equipment	7,121
Other intangible assets	13,590
Deferred tax asset	2,750
Income in advance	(18,788)
Trade payables	(1,457)
Lease liabilities	(375)
Provision for income tax	(1,549)
Other provisions	(4,210)
Deferred tax liability	(4,159)
	<hr/>
Net assets acquired	15,431
Goodwill	67,513
	<hr/>
Acquisition-date fair value of the total consideration transferred	82,944
	<hr/>
Representing:	
Cash paid or payable to vendor	82,944
	<hr/>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	82,944
Less: cash and cash equivalents	(206)
	<hr/>
Net cash used	82,738
	<hr/>

The goodwill is attributable to the workforce, potential growth in student numbers, diversification and synergistic benefits for the consolidated entity. The business combination is provisional as at 31 December 2014.

Note 13. Events after the reporting period

Strategic review

During January 2015 the consolidated entity, with the assistance of its advisors, commenced a strategic review of the consolidated entity's businesses and operations including its capital structure. The review is currently ongoing and it is anticipated it will be concluded by 30 April 2015 and will include recommending the potential sale of one or more of the consolidated entity's businesses and commensurate deleveraging of its balance sheet.

Over 30 expressions of interest have been received, including from a number of the major global and national providers in the sector. Accordingly the consolidated entity, with the assistance of its advisor 333 Capital, has commenced a formal competitive sale process in respect of certain businesses with a view to obtaining firm offers for the board's consideration.

Amended loan facility

On 23 February 2015, the consolidated entity completed negotiations to amend the terms of its loan facility with its MLAs.

An outline of the key terms of the amended loan facility are included in note 7.

Note 13. Events after the reporting period (continued)

Regulatory Review and Restructure of Victorian businesses

In September 2014, two of Vocation's Registered Training Organisations' ('RTOs'), Aspin Pty Limited ('Aspin') and BAWM Pty Limited ('BAWM'), were the subject of review by the Victorian Department of Education and Early Childhood Development ('DEECD'). The DEECD's review focused on two qualifications conducted by BAWM and one qualification conducted by Aspin for which the consolidated entity received funding under contracts with the DEECD for the period 1 January to 27 October 2014. As a result of the review's findings and the ensuing commercial negotiations, it was agreed that the consolidated entity would forfeit \$19,676,000 of funding (refer to note 3 for details). BAWM is liaising with the Victorian Regulation and Qualifications Authority in relation to proceeding with the deregistration process and is attending to any issues or procedures that may be necessary before BAWM is formally deregistered.

No other matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 14. Earnings per share

	Consolidated	
	31/12/2014	31/12/2013
	\$'000	\$'000
Loss after income tax attributable to the owners of Vocation Limited	(272,583)	(1,029)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	219,517,574	100,179,661
Weighted average number of ordinary shares used in calculating diluted earnings per share	219,517,574	100,179,661
	Cents	Cents
Basic earnings per share	(124.17)	(1.03)
Diluted earnings per share	(124.17)	(1.03)

* Weighted average number of ordinary shares, based on 2,885,246 shares at 30 June 2014, which 2,805,154 were issued on 3 September 2014 and the remaining balance of 80,092 were cancelled. As the consolidated entity is in a loss position, these shares are not dilutive.

Vocation Limited
Directors' declaration
31 December 2014



In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'D. Halley', written over a horizontal line.

Douglas Halley
Director

2 March 2015
Sydney



Independent auditor's review report to the members of Vocation Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Vocation Limited (the Company), which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Vocation Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Vocation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vocation Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our report, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity's ability to meet its debt repayments is dependent upon the consolidated entity being successful in generating sufficient future cash flows through trading and asset sales, including those required by 30 May 2015. Furthermore, this is also dependent on compliance with ongoing regulatory matters and the outcome of legal proceedings. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

A stylized blue ink signature, likely representing the PricewaterhouseCoopers firm.

PricewaterhouseCoopers

A stylized blue ink signature, likely representing Steve Bourke.

Steve Bourke
Partner

Sydney
2 March 2015