STATUTORY REPORT TO CREDITORS

ACADEMY XI PTY LTD (IN LIQUIDATION)

ACN: 608 846 822

("THE COMPANY")

21 October 2026

JONATHON KEENAN & PETER KREJCI
JOINT AND SEVERAL LIQUIDATORS

Phone 02 8263 2333
Email info@brifnsw.com.au
Website www.briferrier.com.au
Address Level 26, 25 Bligh Street
Sydney NSW 2000

INTRODUCTION

We refer to our initial report to creditors dated 10 August 2026, in which our appointment as Liquidators of the Company was advised along with your rights as a creditor in the liquidations.

The purpose of this report is to provide creditors with information regarding the following:

- The estimated amount of assets and liabilities of the Company;
- An update on the progress of the Liquidation and further actions that may need to be undertaken;
- What happened to the business;
- The likelihood of creditors receiving a dividend before the affairs of the Company is fully wound up; and
- Possible recovery actions.

This report should be read in conjunction with our initial report. If you have any questions relating to the liquidation in general, or specific questions relating to your position, please do not hesitate to contact this office.

COMPANY DETAILS

Name	Academy Xi Pty Ltd
Incorporated	20 October 2015
ACN	608 846 822
Registered Office	10 CARRINGTON STREET SYDNEY NSW 2000
Trading Address	HUB MARTIN PLACE, SUITE 3101, 44 MARTIN PLACE SYDNEY NSW 2000

LIQUIDATORS

Names	Jonathon Keenan
	Peter Krejci
Date Appointed	28 July 2026

ADMINISTRATION CONTACT

Name	Johnny Cassidy
Email	jcassidy@brifnsw.com.au
Phone	02 8263 2302

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

ABN	Australian Business Number
ACN	Australian Company Number
Act	Corporations Act 2001 (Cth)
AdNeo	AdNeo Limited
ARITA	Australian Restructuring Insolvency and Turnaround Association
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CBA	Commonwealth Bank of Australia
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COI	Committee of Inspection
Company	Academy Xi Pty Ltd
Department	Department of Employment and Workplace Relations
Directors	Rajeev Gupta and Michael Jeremy An
DIRRI	Declaration of Independence, Relevant Relationships & Indemnities
FBT	Fringe Benefits Tax
FEG	Fair Entitlements Guarantee scheme
Firm	BRI Ferrier NSW
FY	Financial Year
GSA	General Security Agreement
GST	Goods and Services Tax
IPR	Insolvency Practice Rules (Corporations) 2016
IPS	Insolvency Practice Schedule (Corporations)
Liquidators	Jonathon Keenan and Peter Krejci
Marshall Investments	Marshall Investments GCP Pty Ltd as trustee for the AXi Marshall Trust
PAYGW	Pay As You Go Withholding
Pearson	Pearson Australia Group Pty Ltd
POD	Formal Proof of Debt
PPSR	Personal Properties Securities Register

GLOSSARY OF COMMON ACRONYMS & ABBREVIATIONS

RBP	Relation Back Period
ROCAP	Report on Company Activities and Property
StudentPay	StudentPay Pty Ltd
WIP	Work in Progress

1 QUICK SHEET

<table>
<tr><td>What happened to the business?</td><td>The Company operated as an education technology business providing digital skills training and professional development courses. The Company ceased trading following financial difficulties, unsuccessful restructuring efforts and a failed sale process, the identification of accounting irregularities, and the withdrawal of funding support from its principal lender.</td></tr>
<tr><td>What assets have been identified?</td><td>The primary assets identified comprise the Company's intellectual property assets, including its course content, learning materials, website assets, customer database and branding, together with outstanding student debtor accounts and cash at bank.</td></tr>
<tr><td>What liabilities have been identified?</td><td>The Company's known liabilities total approximately $9.5M, comprising of Marshall Investments for $5.7M, convertible notes for $337K, employee entitlements for $442K, tax liabilities for $362K, director loans for $634K, intercompany balance for $433K and other unsecured creditor claims for $1.58M. This is subject to change as the Liquidation progresses.</td></tr>
<tr><td>What is the outcome of investigations undertaken?</td><td>Our preliminary investigations identified a potential insolvent trading claim valued at circa $1.08M, potential voidable transactions of up to approximately $177K and potential breach of duties claims for up to circa $2.9M (any recovery from which is expected to be subject to Marshall Investments' security). Further investigations, including legal advice and if necessary, public examinations may be required.</td></tr>
<tr><td>What is the expected return to creditors?</td><td>Estimated creditor returns are summarised in the table below and remain subject to the outcome of the Liquidation and ongoing investigations.
<table>
<tr><th>Estimated Return to Creditors</th><th>High Cents/$</th><th>Low Cents/$</th></tr>
<tr><td>Secured Creditor</td><td>27</td><td>Nil</td></tr>
<tr><td>Priority Creditors</td><td>100</td><td>3</td></tr>
<tr><td>Unsecured Creditors</td><td>3</td><td>Nil</td></tr>
</table></td></tr>
<tr><td>How long will the Liquidation take?</td><td>The timing of the Liquidation is dependent on the outcome of the investigations and whether recovery claims are pursued. If no recovery proceedings are commenced, the Liquidation may be finalised within approximately nine (9) to twelve (12) months. Otherwise, if recovery claims are pursued, the Liquidation could continue for a further two (2) to three (3) years.</td></tr>
<tr><td>What should Creditors do?</td><td>Creditors are requested to provide further information that may need to be notified to the Company's insurer in respect of the management liability policy by no later than 30 October 2026. We make no representations or guarantee that the policy will respond.</td></tr>
<tr><td>When is the Creditors' meeting?</td><td>A meeting of creditors of the Company will be held on 5 November 2026 at 3.00PM (AEDT). Virtual meeting facilities are also made available should creditors wish to attend the meeting virtually. It is not mandatory to attend.</td></tr>
</table>

2 EXECUTIVE SUMMARY

On 28 July 2026, Peter Krejci and I were appointed Joint and Several Liquidators of the Company by a resolution of its members pursuant to Section 491 of the Act.

This Report has been prepared pursuant to section 70-40 of IPR and Section 497 of the Act. You have received this report because we are aware that you may have a creditor claim and/or the books and records of the Company identified you as a creditor.

We have convened a meeting of creditors of the Company to be held at our offices on **Thursday, 5 November 2026 at 3.00PM (AEDT)**. Virtual meeting facilities are also made available should creditors wish to attend the meetings virtually.

1. In order to attend the meeting virtually, you must register at the following link: https://us06web.zoom.us/meeting/register/rFxQr3wTTwqZnLIZmv0UiA
2. Lodge a Proof of Debt detailing your claim to be a Creditor (**Annexure "B"**). **If you have lodged your claim with supporting documentation, you are not required to submit them again.**
3. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity (**Annexure "C"**). Individuals are not required to submit proxies, unless they wish to appoint another individual to attend on their behalf. **Proxy forms for previous meetings cannot be used, new proxy forms must be submitted.**
4. Upon receipt of a valid Formal Proof of Debt Form and Proxy (if required), a different link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and should not be shared with other parties.

We provide below a summary of our preliminary investigation into the Company's affairs and the potential outcomes for creditors and stakeholders.

The Company operated as an education technology business, providing digital skills training and professional development courses to individual students and corporate clients. Its offerings included instructor-led courses, qualifications and other learning programs across a range of technology, design and business disciplines. The Directors advised that the Company experienced ongoing financial difficulties during 2025 and 2026 and remained reliant on funding from its principal lender, Marshall Investments, and other stakeholders to support its operations.

In an effort to address the Company's financial position, the Directors pursued a sale of the business and other restructuring and recapitalisation initiatives from mid-2025. The Company received an offer from BPP Holdings Limited to acquire the business for approximately $19.5M, however during the subsequent due diligence process, concerns arose regarding the accuracy of certain accounting records and financial information previously relied upon by the Board. The Company subsequently engaged an external adviser to undertake a review of the Company's financial records and assist with restructuring and sale initiatives. The review identified a number of accounting and financial reporting irregularities which adversely affected the proposed transaction and the Company's ability to obtain further funding.

Following the failure of the proposed sale transaction, the Company was unable to secure an alternative sale, recapitalisation or funding solution. The Company continued to rely on funding support from Marshall Investments to meet its operating requirements and, following the withdrawal of that support in July 2026, the Directors determined that the Company should be wound up. Accordingly, on 28 July 2026 we were appointed Joint and Several Liquidators of the Company.

The Company's realisable assets are presently estimated at approximately $207K, principally comprising the IP assets, accounts receivable, cash at bank and the Pearson WIP. Since our appointment, we have undertaken the following work:

- Conducted a public sale process in respect of the Company's IP assets, resulting in an offer from AdNeo for consideration totalling $100K in the form of cash for $10K and ordinary shares in AdNeo. The shares are held on escrow for six (6) months. Marshall Investments have provided their consent for the sale.
- With the assistance of the external adviser, we have also undertaken a review of the accounts receivable ledger and engaged StudentPay to commence recovery action. We note that the review identified multiple balances relating to approved cancellations, billing errors, historical write-offs and other items which do not represent genuine recoverable debts.
- Engaged in substantial discussions with former employees and Pearson to complete WIP on existing online course developments that were underway prior to our appointment. To facilitate completion of this work, we have engaged former employees with knowledge of the projects to assist with delivery of the outstanding courses.

As the above engagements are likely to exceed three (3) months, we intend to seek approval from creditors at the forthcoming meeting.

The Company's liabilities may be in the order of approximately $9.5M based on current estimates, principally comprising the secured creditor claim of Marshall Investments of approximately $5.7M, employee entitlement claims of approximately $442K, director loan claims of approximately $634K, convertible notes of approximately $337K, tax liabilities of approximately $362K, an intercompany loan of approximately $433K and other unsecured creditor claims of approximately $1.58M.

We have conducted preliminary investigations into the affairs of the Company, the conduct of the officers and any potential recovery actions that may be available. The financials records indicate that the Company incurred substantial losses and had a significant net assets deficiency for several years, where ongoing trading was funded by share capital and deferred debt arrangements. Based on our investigations to date, our preliminary view is that the Company may have become insolvent on a cashflow basis from approximately 1 March 2026. By that time, the Company had ceased paying new taxation liabilities as required, and there were increasing delays in paying trade creditors outside ordinary trading terms. A preliminary estimate of a potential insolvent trading claim that could be pursued may be valued at approximately $1.08M. Further investigations including legal advice and public examinations may be necessary to determine the merits of this claim and any defences that may be available.

We are continuing to investigate the accounting irregularities identified prior to our appointment by the external adviser, the circumstances surrounding the proposed sale transaction with BPP Holdings Limited, the conduct of the Company's officers and any claims that may be available. The allegations primarily relate to misrepresentations in the Company’s financial accounts which materially

overstated the Company's financial position and performance. It has been asserted to us, that certain creditors and investors injected funds into the Company relying on the misrepresented financial information, however this is yet to be demonstrated with evidence. The Company's insurer was notified of the allegations and circumstances prior to our appointment, to which the management liability policy may or may not respond.

Our preliminary view is that there may also be breach of duties claims that could be pursued in respect of these allegations. On the basis that the Company's officers ought to have been aware of the Company's true financial position from 1 July 2025, a claim may follow in respect of the trading losses incurred after that time, being approximately $2.9M. The claims overlap with the potential insolvent trading claim from 1 March 2026 and, to avoid duplication, the potential insolvent trading claim has been deducted from this value for the purposes of estimating returns to the creditors . We understand that the allegations have been disputed, and we have limited what has been reported herein given that the claims and insurance cover is pending. Legal advice and testing evidence will be necessary, to determine the merits and whether such claims are commercially viable.

Our preliminary view is that any recovery from the Company's breach of duties claims would be a recovery of a non-circulating asset of the Company and, as such, would be subject to Marshall Investments' security rather than available to the general body of creditors. Separately, certain creditors and investors who advanced funds to the Company allegedly in reliance on the financial information may have their own direct claims. Our preliminary view is that any recovery on those claims, including from any insurance that may respond, would be for the benefit of those parties and would not form part of the Liquidation. We note that the management liability policy may be subject to exclusions and we make no representation as to whether it will respond. We advise that the insurance policies have expired and any further claims must be reported prior to 14 November 2026, and we invite creditors to contact us urgently if they have matters to notify.

The return available to creditors remains dependent upon the asset realisations, the outcome of our ongoing investigations and any recovery actions that may ultimately be available to us as the Liquidators. In summary, we estimate the potential range of returns to creditors may be as follows:

Estimated Return to Creditors	High Cents/$	Low Cents/$
Secured Creditor	27	Nil
Priority Creditors	100	3
Unsecured Creditors	3	Nil

**Please note these figures are estimates only and the actual results may vary materially.*

The returns to creditors are largely dependent on the successful recovery actions in respect of the potential voidable transactions and insolvent trading claim, which will likely require litigation to pursue. However, creditors should be aware that litigation is costly and carries risk. Our estimates contained herein are illustrative only, and the timing and outcome are unknown at this time.

The timing of the Liquidation is dependent on the outcome of our investigations and whether recovery claims are pursued. If no recovery proceedings are commenced, the Liquidation may be finalised within approximately nine (9) to twelve (12) months. However, if recovery claims are identified and litigation is required, the Liquidation could continue for a further two (2) to three (3) years. Should

any creditor have any relevant information which may assist our investigations or potential asset recoveries, they should contact our office without delay.

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J	ASIC Information Sheet – Insolvency Information for Directors, Employees, Creditors and Shareholders

3 BASIS OF REPORT

This report has been prepared primarily from information received from the Company's Directors, management staff and advisors.

In order to complete this report and in conducting our investigations, we have also utilised information from:

- ASIC;
- The books and records of the Company;
- The ROCAPs completed by the Directors; and
- Extracts from public information databases.

4 DISCLAIMER

A preliminary investigation of the Company's affairs has been conducted and this report and the statements made herein have been prepared based upon available books and records, information provided by the Directors and their advisors, and from our own enquiries. This report contains information about potential actions/claims which are still being investigated and may be determined to be unviable or not pursued in due course.

Whilst we have no reason to doubt the accuracy of the information provided or contained herein, we reserve the right to alter our opinions or conclusions should the underlying data prove to be inaccurate or materially change after the date of this report.

Neither we, nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this report arising from incorrect information provided to us, or necessary estimates and assessments made for the purposes of the report.

This report is not for general circulation, publication, reproduction or any use other than to assist creditors in evaluating their position as creditors of the Company and must not be disclosed without the prior approval of us.

Creditors should consider seeking their own independent legal advice as to their rights and options available to them.

Should any creditor have material information in relation to the Company's affairs which they consider may impact on our investigations or report, please forward details in writing as soon as possible.

5 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

We confirm that our DIRRI as previously circularised does not require any update.

6 CORPORATE INFORMATION

The following information has been extracted from ASIC records as at the date of our appointment:

ACADEMY XI PTY LTD

Date of Incorporation	20 October 2015
Type of Company	Australian Proprietary Company
Class	Limited by Shares
Registered Office	10 Carrington Street SYDNEY NSW 2000
Principal Place of Business	10 Carrington Street SYDNEY NSW 2000

Officer	Start Date	Cease Date	Position(s)
Rajeev Gupta	16/10/2017	Current	Director
Michael Jeremy An	17/05/2022	Current	Director
Anthony Jon Bohm	27/11/2018	23/02/2026	Former Director
Nigel John Featherston Johnston	11/08/2021	14/04/2025	Former Director
Benjamin Wong	17/06/2016	04/04/2024	Former Director
Zachary Shawn Stuart Brookes	11/02/2021	17/05/2022	Former Director
Michael Jeremy An	01/07/2019	11/02/2021	Former Director
Charbel Anthony Zeaiter	20/10/2015	05/03/2020	Former Director
Michael Jeremy An	16/10/2017	08/05/2019	Former Director
Cyril Gabriel	13/12/2023	Current	Secretary
Guneet Singh	15/11/2022	13/12/2023	Former Secretary
Matthew Clem Hill	15/11/2021	15/11/2022	Former Secretary

Officer	Start Date	Cease Date	Position(s)
Benjamin Wong	17/06/2016	15/11/2021	Former Secretary
Charbel Anthony Zeaiter	20/10/2015	31/05/2019	Former Secretary

Shareholders	Class	No. Of Shares	Beneficially Owned	Share	Status
Jamac Nominees Pty Ltd	Class B	399,161	No	16.81%	Current
Robert John Mclean	Class B	99,790	Yes	4.20%	Current
Milford Private Equity Fund Iii Lp	Class B	1,876,057	No	78.99%	Current
V3 Ventures Pty Ltd	Ordinary	1,116,071	Yes	8.99%	Current
Ann Parker	Ordinary	44,643	Yes	0.36%	Current
Perle Ventures Pty Ltd	Ordinary	1,299,333	No	10.46%	Current
Giant Leap Manager Pty Ltd	Ordinary	359,857	No	2.90%	Current
Arlington Impact Investments Pty Ltd	Ordinary	1,763,468	Yes	14.20%	Current
Dempsey Capital Pty Ltd	Ordinary	1,778,835	No	14.32%	Current
Matthew Hill	Ordinary	143,773	No	1.16%	Current
Vincent Creighton	Ordinary	175,519	Yes	1.41%	Current
Inspiriti Investments Pty Ltd	Ordinary	3,740,195	No	30.11%	Current
On Chee Seng	Ordinary	71,251	Yes	0.57%	Current
Milford Private Equity Fund Iii Lp	Ordinary	1,072,032	No	8.63%	Current

Shareholders	Class	No. Of Shares	Beneficially Owned	Share	Status
Jamac Nominees Pty Ltd	Ordinary	228,092	No	1.84%	Current
Robert John Mclean	Ordinary	57,023	Yes	0.46%	Current
Matthew Hill	Ordinary	571,000	Yes	4.60%	Current
Ann Parker	Preference	11,425	Yes	0.07%	Current
On Chee Seng	Preference	302,836	Yes	1.97%	Current
Giant Leap Manager Pty Ltd	Preference	690,060	No	4.50%	Current
Inspiriti Investments Pty Ltd	Preference	55,030	No	0.36%	Current
Perle Ventures Pty Ltd	Preference	3,510,912	No	22.88%	Current
Arlington Impact Investments Pty Ltd	Preference	3,866,534	Yes	25.20%	Current
Dempsey Capital Pty Ltd	Preference	6,675,406	No	43.51%	Current
Goh Chiat Jin	Preference	231,458	Yes	1.51%	Current
Goh Chiat Jin	Ordinary	71,378	Yes	0.57%	Former
Liquid Santiago Pty Ltd	Preference	62,004	No	0.40%	Former
Inspiriti Investments Pty Ltd	Ordinary	1	No	0.00%	Former
Charbel Anthony Pty Ltd	Ordinary	5,000,000	No	40.25%	Former
Gleneagle Asset Management Limited	Ordinary	1,325,287	No	10.67%	Former
Gleneagle Asset Management Limited	Preference	3,850,166	No	25.09%	Former

Shareholders	Class	No. Of Shares	Beneficially Owned	Share	Status
Charbel Anthony Zeaiter	Ordinary	1	Yes	0.00%	Former
Charbel Anthony Zeaiter	Ordinary	4,999,999	Yes	40.25%	Former
Inspiriti Investments Pty Ltd	Ordinary Aa	4,999,999	No	50.00%	Former
Charbel Anthony Pty Ltd	Ordinary Aa	4,999,999	No	50.00%	Former

** Note that the Directors have advised that shortly prior to our appointment approximately $9M of the convertible notes were converted to equity, however the shareholdings on the ASIC records were not updated.*

7 LEGAL PROCEEDINGS

Pursuant to Section 500(2) of the Act, our appointment as Liquidators automatically stays any current legal proceedings against the Company.

Creditors cannot commence or continue proceedings against the Company without our written consent or without leave of the Court. We are not aware of any legal proceedings involving the Company that are currently on foot.

8 COMPANY BACKGROUND AND EVENTS LEADING TO OUR APPOINTMENT

The following information was obtained from our enquiries with the current Directors, advisors and Company records provided to the Liquidators.

- The Company was incorporated on 20 October 2015 under the name Velvet Onion Academy Pty Ltd and changed its name to Academy Xi Pty Ltd on 19 January 2016.
- The Company operated as an education technology business, providing digital skills training and professional development courses to individual students and corporate clients. Its offerings included instructor-led courses, qualifications and other learning programs across a range of technology, design and business disciplines.
- The Company conducted its operations from Hub Martin Place, Suite 3101, 44 Martin Place, Sydney NSW 2000, prior to the commencement of the liquidation.
- Rajeev Gupta and Michael Jeremy An were the Company's non-executive directors and had overall responsibility for the Company. The day-to-day management and operation of the Company's business appears to have been conducted by its senior management team.

- The Company relied heavily on external funding to support its operations and ongoing working capital requirements. Between FY23 and FY26, the Company received approximately $14.9M in external funding, comprising:
    - Approximately $4.35M in FY23, $1.58M in FY24, $2.93M in FY25 and $1.21M in FY26 through the issue of convertible notes, totalling approximately $10.1M.
    - Approximately $3.5M in FY23, $107K in FY25, $326K in FY26 and a further $63K immediately prior to Liquidation under loan facilities, provided by the principal lender and first ranking secured creditor, Marshall Investments, totalling approximately $4.0M.
    - Approximately $575K in FY25 and $255K in FY26 from directors, shareholders and related parties, totalling approximately $830K.
- Despite this ongoing financial support, the Company was incurring significant losses and remained reliant on external funding to support its operations and working capital requirements.
- In 2024, the Directors sought advice regarding the Safe Harbour provisions under the Act and ultimately determined to enter Safe Harbour in October 2024, considering various plans for mergers, sale of the business or raising further funding. We understand that Hamilton Locke Lawyers was engaged as the qualified adviser to assist with providing advice during the Safe Harbour period. We are advised the Company may have exited Safe Harbour in mid-2025, however we have not received any documentation to confirm same.
- The former CEO, Vincent Creighton, left the Company in May 2025 and the CFO, Cyril Gabriel, took over the CEO role.
- From mid-2025, the Directors pursued a sale of the Company's business and assets as part of broader restructuring and recapitalisation efforts. On 10 April 2026, the Company received a non-binding indicative offer from BPP Holdings Limited to acquire 100% of the issued share capital of the Company for approximately $19.5M, on a debt free basis, subject to due diligence and a number of precedent conditions.
- During the due diligence process, concerns arose regarding the accuracy of certain accounting records and financial information that had previously been relied upon by the Directors and others. Ultimately, the proposed transaction did not proceed and the offer was withdrawn in May 2026.
- The Company subsequently engaged an external adviser to undertake a review of the Company's financial records and assist with restructuring and sale initiatives. The review identified a number of accounting and financial reporting irregularities, which were alleged to have been amended by the CEO, Dr Gabriel. In early June 2026, Dr Gabriel was stood down from his duties while the external adviser's investigations continued. We understand Dr Gabriel disputed these allegations. This matter is further discussed in section 17.1 of this Report.
- Following the failure of the proposed sale transaction, the Directors pursued an alternative sale, restructuring and funding opportunities. While those initiatives were being explored, Marshall Investments continued to provide limited financial support to enable the Company

to continue trading. However, when it became apparent that a sale, recapitalisation or alternative source of funding could not be secured, it appears that Marshall Investments withdrew its support.

- The Directors subsequently resolved to place the Company into Liquidation and on 28 July 2026, the Company was placed into Creditors' Voluntary Liquidation, and we were appointed Joint and Several Liquidators.

9 REASONS FOR FAILURE

The Directors have advised that the Company experienced financial difficulties from approximately mid-2025 and subsequently pursued a range of restructuring, recapitalisation and sale opportunities. A proposed sale transaction did not proceed following due diligence concerns regarding the Company's financial reporting, and subsequent efforts to sell the business and obtain further funding were unsuccessful.

Following the withdrawal of financial support from Marshall Investments and the Company's inability to secure sufficient working capital, the Directors resolved that the Company be placed into liquidation on 28 July 2026. Upon appointment, the Liquidators determined that the Company lacked sufficient resources to continue trading and the remaining employees were terminated by way of formal redundancy.

Whilst we agree with the above in part, we also note the following additional causes of failure based on our preliminary investigations to date:

- The Company incurred substantial trading losses, reporting cumulative losses of approximately $18.1M between FY2022 and FY2026. At appointment, the accumulated losses totalled $28.4M.
- The Company experienced prolonged cash flow pressures for a number of years prior to Liquidation, evidenced by significant taxation arrears, repeated payment arrangements with the ATO and multiple defaults under those arrangements. Whilst the Company periodically reduced its taxation liabilities and entered into further payment arrangements, the debts were never fully discharged.
- The Company became increasingly reliant on external funding sources, including convertible note investors, secured lenders and related parties, with approximately $14.9M of external funding being received between FY2023 and FY2026 to support ongoing trading activities and working capital requirements. Whilst this allowed the Company to continue trading, it did not resolve the financial pressures, as the payment of trade suppliers (short term debt) were largely being funded by the Directors, shareholders, related parties and Marshall Investments (longer term debt) which ultimately could not have been repaid.

10 SALE OF BUSINESS CAMPAIGN

Prior to our appointment, in around mid-2025, the Company engaged Latimer Partners to assist with a structured sale process involving Australian and international strategic buyers. This led to a meaningful offer received in April 2026, however during the due diligence process, there were issues identified in the Company’s financial reporting which could not be resolved and the offer was withdrawn in May 2026. Following this, the Company (also via Latimer Partners) sought to undertake

an accelerated sale process however this also failed, as the Company's cash flow difficulties meant it was unable to continue trading.

On 3 August 2026, we publicly advertised the intellectual property assets for sale, with binding offers due by 17 August 2026. We also contacted the strategic buyers list that had previously been contacted by Latimer Partners prior to our appointment. We received expressions of interest from 16 parties, of which 6 parties executed a Confidentiality Agreement and paid the refundable deposit to access the data room.

The deadline for binding offers was extended to 27 August 2026 following feedback from the interested parties that there was insufficient time to review the IP assets on offer. We engaged with interested parties to deal with their due diligence queries. Following expiry of this deadline, we received modest offers from three (3) interested parties, of which we determined that two (2) were not viable as there was likely loss in potential value for the priority creditors from the circulating assets.

The remaining offer was received from AdNeo, who had previously been engaging with the Company in the sale process prior to our appointment. After substantial discussions and negotiations with AdNeo and obtaining consent from Marshall Investments, as the secured creditor, we have agreed sale terms in principle. The key terms are as follows:

- AdNeo to acquire all IP assets owned by the Company, including course materials, branding, customer list, website and key contracts.
- AdNeo will not be acquiring debtors, WIP, past student credits or choses in action.
- Consideration includes cash of $10K and 3,600,000 ordinary shares issued in AdNeo at share price of $0.025, for total consideration of $100K.
- The shares will be held in escrow for a period of 6 months.

We note that consideration of ordinary shares is not usual in a Liquidation appointment. If the shares can be realised at the issued share price of $0.025 or higher, then there is likely a small return to Marshall Investments under their registered security interest, after the costs are discharged. Conversely, there may not be a return if the shares cannot be sold or the share price reduces in value. As such, there is risk associated with the share consideration, however there are no viable alternative offers and no value for the IP assets without a sale. Accordingly, we believe that the offer from AdNeo potentially represents the best value in the circumstances.

As the sale terms will exceed three (3) months, we will be seeking approval from creditors at the forthcoming meeting of creditors.

11 HISTORICAL FINANCIAL INFORMATION

We have reviewed the financial statements prepared for the financial years ended 30 June 2022 to 30 June 2025, and management accounts maintained on Xero for the financial years ended 30 June 2022 to 30 June 2026 and for the part period to 1 July 2026 to 28 July 2026.

During our investigations, we identified both signed and unsigned versions of the financial statements for the financial year ended 30 June 2025, with material differences between the versions. Further, the comparative financial information relating to the financial year ended 30 June 2024, as presented

within the FY2025 financial statements, also differed between the signed and unsigned versions. A summary of the material differences identified is set out in the table below.

Account	Signed Version	Unsigned Version	Variance
Revenue	5,043,768	2,964,519	2,079,249
Other income	4,062	120,269	(116,207)
Employee benefits	(2,264,500)	(2,094,526)	(169,974)
Administrative expense	(985,373)	(1,070,261)	84,888
Other expenses	(803,380)	(358,536)	(444,844)
Finance expenses	(527,993)	(594,203)	66,210
Profit/(loss)	**168,036**	**(1,331,553)**	**1,499,589**
Trade & other receivables	1,290,456	1,392,328	(101,872)
Deferred revenue	1,184,501	2,799,272	(1,614,771)
Total liabilities	15,233,141	16,846,610	(1,613,469)
Net assets	**(9,758,645)**	**(11,270,510)**	**1,511,865**

Further enquiries are being undertaken with the Company's Directors and external accountants to determine when each version was prepared, the reasons for the amendments and the parties to whom the respective versions were circulated. The outcome of those enquiries may have a bearing on our investigations and will be reported to creditors if considered material.

The unsigned version of the FY2025 financial statements is closely aligned to the Xero management accounts. Accordingly, our analysis has focused on the Xero management accounts.

11.1 BALANCE SHEET

Attached as "**Annexure D**" is a comparative analysis of the Balance Sheets for the abovementioned periods.

We provide the following commentary with respect to the attached comparative Balance Sheets:

- The Company's cash position generally deteriorated throughout the review period, reducing from approximately $1.2M as at 30 June 2022 to approximately $2.5K immediately prior to Liquidation (noting that $22.3K was transferred to our Firm's trust account prior to appointment). The decline in available cash, despite significant funding received from investors, lenders and related parties, is indicative of the Company's ongoing cash flow pressures and reliance on external funding to support its operations.
- Accounts Receivable fluctuated throughout the review period, ranging from approximately $1.4M to $2.6M. However, the provision for doubtful debts increased significantly from approximately $165K as at 30 June 2022 to approximately $1.7M at the date of our appointment. The increase in the provision for doubtful debts suggests there was increasing concern regarding the recoverability of outstanding receivables and that the reported accounts receivable balance may have overstated the value ultimately recoverable by the Company.

- The Company's balance sheet did not record any Contract Asset (asset) or Contract Revenue Deferred (liability) balances from FY2022 to FY2024. During FY2025, balances of approximately $2.16M were recognised in both accounts, increasing to approximately $2.31M by FY2026. Our review of this account identified a series of manual journal entries recorded during FY2025 and FY2026 in which the journal descriptions indicate the entries related to customer arrangements and opportunities. The entries were described as "contract revenue deferrals" and appear to have been recorded following discussions with management. Further investigations may be required to determine how the balances were calculated and whether they were adequately supported. While documents relating to some of the underlying arrangements were identified, it is not presently clear whether the records available support the amounts recognised, the basis upon which they were recorded or whether the accounting treatment adopted was appropriate in the circumstances.

- The Company's intangible assets and software development in progress remained relatively stable throughout the review period, increasing from approximately $703K as at 30 June 2022 to approximately $935K immediately prior to liquidation. These balances primarily relate to capitalised expenditure on course content, software development and other intellectual property. As discussed, the sale process undertaken during the Liquidation resulted in offers substantially below the carrying value recorded in the Company's books and records. This suggests that the realisable value of the Company's intangible assets may have been materially lower than their reported book value.

- Tax liabilities, comprising amounts relating to the GST, PAYGW and FBT, fluctuated throughout the review period reaching its highest level of approximately $702K as at FY2023. The balance generally reduced in the following years and was approximately $379K at appointment per the management accounts. This reduction, together with the Company's several payment arrangements with the ATO, reflects that the Company was actively seeking to repay and manage its outstanding taxation liabilities.

- As mentioned previously, the Company became increasingly reliant on external funding to support its operations and ongoing working capital requirements, which can be seen by the growing balances for short term loans, convertible notes and director loans. Between FY23 and FY26, the Company received approximately $14.9M in external funding, comprising:
    - Approximately $4.35M in FY23, $1.58M in FY24, $2.93M in FY25 and $1.21M in FY26 through the issue of convertible notes, totalling approximately $10.1M.
    - Approximately $3.5M in FY23, $107K in FY25, $326K in FY26 and a further $63K immediately prior to Liquidation under loan facilities with Marshall Investments, totalling approximately $4.0M.
    - Approximately $575K in FY25 and $255K in FY26 from directors, shareholders and related parties, totalling approximately $830K.
- The Company reported substantial net asset deficiencies throughout the review period increasing year-on-year: $575K as at 30 June 2022, $5.8M as at 30 June 2023, $9.9M as at 30 June 2024, $11.3M as at 30 June 2025 and $13.9M as at 30 June 2026. Whilst the Company was able to continue trading by obtaining external funding, this shows that the financial

pressures were not resolved, only deferred, as the payment of trade suppliers (short term debt) were largely being funded by the Directors, shareholders, related parties and Marshall Investments (longer term debt).

11.2 PROFIT & LOSS STATEMENTS

Attached as "**Annexure E**" is a comparative analysis of the Profit and Loss Statements for the abovementioned periods.

We provide the following commentary with respect to the comparative Profit and Loss Statements:

- The Company's income declined significantly throughout the review period, decreasing from approximately $8M in FY22 to approximately $1.5M in FY26. The decline is largely represented by a substantial reduction in online course revenue and corporate training revenue, suggesting that the Company was struggling to bring in new sales.
- Cost of sales also reduced significantly throughout the review period, falling from approximately $4.8M in FY22 to approximately $350K in FY26. The reduction broadly aligns with the decrease in revenue and reflects the efforts to reduce operating costs as trading activity declined.
- Employee and labour-related costs reduced substantially throughout the review period. Wages and salaries decreased from approximately $4.0M in FY22 and $4.6M in FY23 to approximately $1.5M in FY26. Contractor and temporary labour costs also reduced significantly, together with HR-related expenses. This is consistent with workforce reductions and broader cost containment measures implemented as revenue declined.
- The Company incurred significant bad debt expenses throughout the review period, increasing from approximately $208K in FY22 and peaking at approximately $847K in FY26. The increase in bad debt write-offs adversely impacted the Company's financial position and indicates increasing difficulties in recovering outstanding receivables.
- The Company's interest expense continues to increase from $74K in FY22 to a peak of $528K in FY25. This is a reflection of the increasing funding arrangements from short term loans, convertible notes, related parties and Marshall Investments, which charged interest. We understand that the interest expense of $296K in FY26 reported in the management accounts is not accurate, as the interest had not been calculated and appropriately recorded in recent months leading up to our appointment.
- Total operating expenses reduced significantly during the review period, decreasing from approximately $8.0M in FY22 to approximately $3.8M in FY26. While this represents a substantial reduction in costs, it did not occur at the same rate as the decline in revenue, which fell from approximately $8.0M to $1.5M over the same period. The Company achieved substantial reductions across a number of expense categories, including wages and salaries, contractor costs, HR expenses and cloud software subscriptions. However, these reductions were insufficient to offset the decline in revenue and the Company's financial performance continued to deteriorate throughout the review period.

- The efforts to reduce costs did help to mitigate and stabilise the losses throughout the review period, where the Company reported a loss of $4.65M in FY22, $5.3M in FY23, $4.19M in FY24, $1.33M in FY25 and $2.66M in FY26.

12 CURRENT FINANCIAL POSITION

Below is our analysis of the current financial position of the Company, with regard to the Directors' ROCAP, available financial records and our enquiries to date.

	Academy Xi Pty Ltd A.C.N. 608 846 822 Book Value as at 28/07/2026 ($)	Directors' ERV (per ROCAP) ($)	Liquidator ERV ($)	Surplus ($)
Assets				
Computer Equipment	7,209.69	-	2,000	
Intangible Assets	265,814.55			
Intangible Assets - Software Development	383,974.55	450,000	100,000	
Software Development in Progress	285,240.10			
Office Equipment	307.37	-	-	
Investment in Singapore	825,000.00	-	-	
Contingent Asset - Insurance Claim	-	3,000,000	-	
Cash and Cash Equivalents	24,488	20,000	22,000	
Accounts Receivable	2,417,288	265,000	50,000	
Less: Provision for Doubtful Debts	(1,704,837)			
WIP (Pearson Contract)	-	-	32,500	
Hub Deposits	10,780	-	-	
Prepayments	66,378	-	-	
Contract Asset	2,306,200	-	-	
Total Assets	**4,887,843**	**3,735,000**	**206,500**	
Liabilities				
Priority Creditors	360,854	109,195	442,093	
Secured Creditor	3,842,445	-	5,739,846	
ATO	378,513	294,254	362,905	
Inter-company - Academy Xi (Singapore) Pte Ltd	432,928	-	432,928	
Contract Revenue Deferred	2,306,200	-	-	
Short term loan	341,606	-	-	
Director Loans	892,974	517,000	634,366	
Landlord	-	11,263	78,267	
Convertible Notes	9,307,000	315,000	336,901	
Other Unsecured Creditors	977,032	645,244	1,500,000	
Deferred Revenue	196,381	-		
	19,035,934	**1,891,956**	**9,527,305**	
Estimated Net Asset / (Deficiency)	**(14,148,091)**	**1,843,044**	**(9,320,805)**	**(9,320,805)**

12.1 ASSETS

12.1.1 Computer Equipment

The Company's books and records recorded computer and virtual reality equipment with a book value of approximately $7.2K. After attending the Company's office premises, we have secured some virtual

reality equipment and a number of laptops from employees. An external appraisal indicated a likely realisable value of between $2K and $5K before associated realisation costs. We are arranging with an auctioneer to realise same via public auction and anticipate there may be a minor recovery from net sale proceeds after realisation costs.

12.1.2 Intangible Assets

The Company's intangible assets are principally comprised of intellectual property assets, including proprietary course content, learning materials, website assets, customer database, branding and related educational content. The total book value in the Company's balance sheet was $935K. As discussed, following our appointment, a sale process was undertaken in respect of these assets and a number of interested parties were identified.

The offer that represented the best value was from AdNeo, which proposed to acquire the Company's intellectual property and related assets for consideration comprising cash of $10K and 3,600,000 ordinary shares in AdNeo issued at a share price of $0.025 per share, for total consideration value of $100K. The shares are to be held in escrow for a period of six (6) months.

Consideration of ordinary shares is not usual in a Liquidation appointment and there is risk associated, however there were no viable alternative offers and no value without a sale. The proposed transaction remains subject to several conditions, including completion of the sale documentation and creditor approval at the forthcoming meeting of creditors, as the terms of the sale will exceed three (3) months.

12.1.3 Investment – Academy Xi (Singapore) Pte Ltd

The Company reported an investment in Academy Xi (Singapore) Pte Ltd, a subsidiary of the Company, with a book value of approximately $825K at the date of our appointment. The Company's records indicate that the investment was originally acquired in November 2018 through the subscription of 10,000,000 shares in the Singapore entity for approximately $753K, with the book value subsequently adjusted for fair value and foreign exchange movements.

Based on a review of the management accounts of Academy Xi (Singapore) Pte Ltd, it is understood that the entity did not hold any significant assets or otherwise have any material realisable value. Accordingly, we do not anticipate any recovery from this investment asset for the benefit of creditors.

12.1.4 Insurance Claim

The Directors included a contingent asset of $3M in the ROCAP in respect of a potential insurance claim recovery.

As mentioned above, prior to Liquidation, the Company notified its insurer of certain circumstances relating to accounting irregularities and other matters identified during the review of the Company's financial records. The Directors have attributed a value to the potential insurance recovery on the basis that claims may arise from those circumstances and that rights under the management liability insurance policy had been preserved through the notification process. Based on the information presently known to us, we are not certain that this is an asset of the Company but rather claim(s) could be made in respect of losses suffered by other parties.

Following our appointment, we issued an addendum notification to the insurer and we understand the insurer has acknowledged receipt. We confirm the management liability policy expired on 15 September 2026 and any further reporting can be notified to the insurer for a period of 60 days after expiry, being no later than 14 November 2026. In this regard, we request that any parties with further information that needs to be notified to the insurer, please contact our office by no later than 6 November 2026. We make no representations or guarantee that the Company's insurance policy will respond.

We are continuing to investigate whether any recoverable claim exists in favour of the Company. Given the uncertainty surrounding any potential recovery, no value has been attributed to the insurance claim as an asset of the Company for the purposes of this Report. Further, our preliminary view is that any insurance recovery in respect of claims by the Company (if any can be pursued) may be subject to Marshall Investments' security, while any recovery in respect of direct claims by other parties would be for the benefit of those parties. The policy may also be subject to exclusions, and legal advice will be required.

However, there may be potential breach of duty claims which is further discussed in Section 17.1 of this Report.

12.1.5 Cash & Cash Equivalents

On appointment, we made enquiries with all major banks in Australia seeking details of any accounts maintained by the Company. These enquiries, together with our review of financial records, revealed that the Company primarily operated via bank accounts with CBA. The accounts consisted of two bank accounts with aggregate credit balances of approximately $3.3K. We also held approximately $22.3K of cash at bank funds, that were deposited into our firm's trust account immediately prior to our appointment, and have since been deposited into the Liquidation bank account.

We are not aware of any other bank accounts held by the Company as at the date of our appointment.

12.1.6 Accounts Receivable

The Company's books and records reflected gross accounts receivable of approximately $2.42M as at the date of our appointment. However, the balance was subject to a provision for doubtful debts of approximately $1.7M, resulting in a net written down value of approximately $713K.

Following the appointment of the Liquidators, we engaged the Company's former external adviser to undertake a detailed review of the debtors ledger. That review identified multiple balances relating to cancellations, billing errors, historical write-offs and other items which do not represent genuine recoverable debts. Certain debtor balances were identified as requiring further investigation in connection with the accounting irregularities identified prior to our appointment.

We have also undertaken a preliminary review of the debtor ledger and identified a number of balances which may be disputed, uncollectable or otherwise unrecoverable. Accordingly, a conservative estimated realisable value of between approximately $50K and $100K has been attributed to the accounts receivable balance for the purposes of this Report.

We have engaged StudentPay to assist with recovery of the outstanding student debtor accounts on a success-fee basis, and as this engagement will likely exceed three (3) months, we are seeking creditor

approval at the forthcoming meeting of creditors. Further investigations and collection activities are ongoing, and the ultimate recoverable value may differ from the estimate presently adopted.

12.1.7 Work In Progress

No asset relating to the ongoing WIP was recorded in the Company's books and records. Following discussions with the Directors and former employees of the Company, we were provided details of existing arrangements with Keystone Training Group for face-to-face training and Pearson for the development of a number of online learning courses. We engaged in substantial discussions with the relevant former employees and determined that there was no commercial recovery for the Keystone Training Group work but there was potential value in the Pearson engagement.

Accordingly, we negotiated with some of the former employees, to be engaged as contractors, to complete the work for Pearson. Following various discussions regarding estimated costs, we agreed terms for the work to be completed on a success-fee basis, with 55% of recovery from Pearson would be payable to the contractors and the remaining 45% for the Company.

At present, it is intended that only those courses which had commenced prior to our appointment to be completed. Having regard to the anticipated return from completion of the initial courses and the costs associated with delivery, estimated gross recoveries of $32.5K have been attributed to the Pearson work (approximately $14.6K after the contractors' 55% share).

While there may be potential for further work to be undertaken under the broader arrangement, Pearson have not committed the extent to which any additional courses will proceed. Regardless, we intend to seek approval from creditors at the forthcoming meeting, in the event the engagement with the contractors exceeds three (3) months.

12.1.8 Hub Deposits

The balance of approximately $10K relates to a deposit held in connection with the Company's office premises. The deposit is not recoverable for the general creditors of the Liquidation and instead held by the landlord for events of default. We note the landlord has submitted a claim in the Liquidation for $78K for the remaining lease term, in which the deposit has been set off against the claim, however the landlord is required to mitigate its loss by re-leasing the premises which will likely reduce the claim.

12.1.9 Prepayments

The Company's books and records reflected prepayments of approximately $66K which appear to relate primarily to software subscriptions, licences and membership fees. These balances are not a recoverable asset in the Liquidation.

12.1.10 Contract Asset & Contract Revenue Deferred

The Company's balance sheet recorded a Contract Asset of approximately $2.3M as at the date of our appointment. The balance arose from manual journal entries recorded during FY2025 and FY2026 which were offset by a corresponding Contract Revenue Deferred liability. As discussed previously, based on the information presently available, the basis for the recognition and valuation of the Contract Asset remains unclear. While documentation relating to certain underlying customer arrangements and opportunities was identified, the records reviewed do not indicate the existence of formal contractual entitlements supporting the balance.

Given the Company has ceased trading and the balance appears to relate to prospective or incomplete customer opportunities rather than amounts presently recoverable, we have attributed no realisable value to the Contract Asset.

12.2 LIABILITIES

12.2.1 Priority Creditors

The Company employed thirteen (13) employees, noting three (3) employees had recently resigned and the CEO had been stood down from duties, at the time of our appointment. In the weeks leading up to our appointment, all staff were stood down. Following our appointment, the employees were terminated as part of the orderly winding down of the Company's affairs.

We have reviewed the books and records of the Company and undertaken verification of employee entitlements. The payroll records were maintained through Xero and Employment Hero which, based on our preliminary review, appear to be substantially complete and up to date.

A summary of our preliminary calculation of the outstanding entitlements is below:

Employee Entitlements	Amount $
Unpaid Wages	104,659.43
Superannuation	63,947.38
Annual Leave	79,994.51
Long Service Leave	42,695.35
Payment in Lieu of Notice	50,795.38
Redundancy	100,000.48
Total	**442,092.53**

Former employees of the Company have a statutory priority of payment in respect of outstanding entitlements such as wages, superannuation, annual leave, long service leave, payment in lieu of notice and redundancy. From our calculations above, we have determined that the priority ranking outstanding entitlements totals circa $442K. We note that this does not include the entitlements claimed by the CEO, Dr Gabriel, in circumstances where the allegations of misconduct may give rise to a breach of duties claim.

In the event that there are insufficient funds to pay a dividend to priority (employee) creditors in a winding up, employees may lodge a claim under the FEG scheme with the Department in respect of certain entitlements. FEG does not pay outstanding superannuation. We have submitted the outcome of our verification with respect to outstanding employee entitlements to the Department and we understand that the Department is currently reviewing claims submitted. We have also sought the views of the Department regarding Dr Gabriel's entitlements and potential set-off with a breach of duties claim. The amounts to be distributed under the FEG scheme are subject to the Department's assessment and final determination.

Based on the investigations undertaken to date and the assets recovered, it is anticipated that there will be insufficient funds available to pay priority creditors in full. We estimate a return to priority creditors of between approximately 3 and 100 cents in the dollar, however this is dependent on

meaningful recoveries from the circulating assets and from recovery actions. This is discussed further in section 21 of this Report.

12.2.2 Secured Creditors (Marshall Investments)

The Company's management accounts reported a long-term liability owing to Marshall Investments of approximately $3.84M as at the date of our appointment. As at the date of this Report, Marshall Investments has lodged a claim in the amount of approximately $5.74M, which we understand is due to interest and fees charged on the secured loan which had not been recorded in the Company's management accounts. We have not undertaken a formal adjudication of the claim, however Marshall Investments holds security over substantially all the Company's assets, together with separate registrations over a number of the Company's trademarks. We have obtained and reviewed the relevant security documents, including a GSA, and the available records indicate that the security was properly documented and registered within the prescribed time limits.

Marshall Investments provided secured funding facilities to the Company between FY2023 and FY2026 and was a significant source of working capital funding. We understand that the principal secured funding arrangements comprised a facility entered into during June 2022 under which approximately $3.5M was advanced to the Company (in July and September 2022) and a further secured facility of $400K entered into on 20 December 2024, of which approximately $107K was received by the Company in cash, with the balance including a $200K prepaid interest reserve.

Marshall Investments entered into a Forbearance Deed in January 2026 and subsequently agreed to extend the forbearance period during May 2026. The extension was granted while the Company pursued the proposed sale transaction with BPP Holdings Limited and subsequent sale and recapitalisation opportunities. Marshall Investments also continued to provide additional funding during this period, advancing a further $389K between May 2026 and July 2026 under a further secured facility dated 12 May 2026 of up to $500K, bearing interest at 15% per annum with an exit fee equal to the amount drawn (increasing to $500K if the Company's cash fell below $50K), and did not call upon repayment of the secured debt.

In addition, a number of directors, shareholders and related party funding arrangements entered into during 2026 were formally subordinated to the secured debt owed to Marshall Investments. Accordingly, Marshall Investments remained the first ranking secured creditor of the Company and retained priority over those subordinated claims.

Marshall Investments ultimately withdrew its funding support, and presumably withdrew the forbearance on its secured debts, which was a major factor in the Directors' decision to place the Company into Liquidation.

12.2.3 Statutory Creditors

The Company's management accounts reported outstanding tax liabilities owed to the ATO for approximately $378K as at the date of our appointment. We have reviewed the Company's books and records together with information obtained directly from the ATO. Based on that review, an amount of approximately $362K has been attributed to the ATO liability for the purposes of this Report.

The ATO has been notified of the Liquidation appointment and has lodged a claim in the Liquidation for circa $166K in respect of GST, PAYGW and FBT debts, noting there are outstanding tax lodgements which could change the liabilities if these lodgements were completed. The outstanding lodgements will only be completed if a dividend to unsecured creditors is declared.

12.2.4 Intercompany – Academy Xi (Singapore) Pte Ltd

The Company recorded an amount of approximately $433K owing to Academy Xi (Singapore) Pte Ltd as at the date of our appointment. A review of the transactions in this intercompany loan indicates the primary debt relates to funds advanced to the Company in FY2019 which has not been repaid. This is not unusual for companies operating in a group.

The Directors have advised that no forbearance arrangements were in place in respect of the intercompany balance. Despite this, we have not received a claim from Academy Xi (Singapore) Pte Ltd. Regardless, a value of approximately $433K has been attributed to the liability for the purposes of this Report.

12.2.5 Contract Revenue Deferred

A Contract Revenue Deferred liability was reported for approximately $2.3M as at the date of our appointment, which represented the corresponding liability recorded against the Contract Asset balance discussed above and arose from the same series of journal entries.

As the Contract Asset and Contract Revenue Deferred balances set off against each other and no value has been attributed to the corresponding Contract Asset, similarly no value has been attributed to this liability.

12.2.6 Short Term Loan

Short term loans of approximately $341K were reported as at the date of our appointment. This balance comprises amounts advanced to the Company from May 2026 under short-term funding facilities associated with Marshall Investments. As mentioned above, the Company sought this funding from Marshall Investments to support ongoing working capital requirements during the sale process.

12.2.7 Director Loans

As discussed previously, the Company was heavily reliant on funding from related parties to continue trading, as represented by the Director Loan balances of approximately $892K in the management accounts as at the date of our appointment. We note the book balance includes $63K received from Marshall Investments in July 2026, which was recorded in the Director Loans account but appears to form part of the funding from Marshall Investments. The Directors reported a lower balance totalling $517K in their ROCAPs.

As at the date of this Report, claims have been lodged by the Directors' related entities totalling approximately $634K, which appears to include interest accrued in accordance with the loan agreements. The Directors have advised that no forbearance arrangements were in place in respect of these related party loans.

12.2.8 Convertible Notes

Convertible Notes totalling approximately $9.3M were recorded as liabilities as at the date of our appointment. The balance comprises amounts advanced by the Directors, shareholders and a number of investors under convertible note arrangements. As previously discussed, the Company was heavily reliant on funding from these convertible note arrangements for ongoing working capital requirements.

The Directors have advised that the convertible notes for related parties totalling circa $9M were converted to equity shortly prior to our appointment, being the majority noteholders. However, we note that the shareholding records with ASIC were not updated. We understand that only external parties, totalling approximately $337K remain as convertible notes liabilities. We note that the Directors also included this liability in their ROCAPs. As at the date of this Report, claims have been lodged by some of these parties, totalling $287K.

12.2.9 Deferred Revenue

The Company's management accounts recorded a balance of $196K as at the date of our appointment. A review of the transactions in this account indicates this balance relates to student customers who have prepaid for courses in advance but have not completed the courses. Based on the Company's records provided, we have notified all known currently enrolled students regarding the Liquidation appointment. To date, we have received claims totalling $67K from sixteen (16) student customers in the Liquidation.

From our discussions with AdNeo and the acquisition of the Company's IP assets, if creditors approve the sale, then AdNeo may contact students regarding continuation of online courses. In the meantime, we encourage student customers who have not been able to complete their course to lodge a claim in the Liquidation by completing the POD form, attached as **Annexure "B"**, and return same together with documentary evidence to support your claim.

12.2.10 Other Unsecured Creditors

These creditors appear to be various suppliers and debts incurred in the ordinary course of business, including various IT subscriptions, professional services and contractors. Based on the Directors' ROCAPs and claims submitted by creditors in the Liquidation, we estimate these claims may total between approximately $1.14M and $1.5M. We note that the largest unsecured claim lodged for $400K relates to a warrant issued by the Company in May 2019 which entitled the creditor to exercise a contractual right requiring payment from the Company of $400K following an insolvency event (the Liquidation appointment).

Further, as discussed above, the landlord has lodged a claim for $78K for the remaining lease term, however the landlord is required to mitigate its loss by re-leasing the premises which will likely reduce the claim.

The total creditors claims are subject to change as the Liquidation progresses and further claims are received. We encourage creditors, who have not already done so, to lodge their claim with this office by completing the POD form, attached as **Annexure "B"**, and return same together with documentary evidence to support your claim.

13 EXPLANATION OF DEFICIENCY

Attached as "**Annexure F"** is the estimated deficiency statement for the Company.

Summary of deficiency	Amount $
Accumulated Losses	28,352,107
Loss on Realisation of Assets	4,681,343
Overstated Liabilities	(9,508,629)
Net Deficiency	**23,524,820**

The combined deficiency for creditors and shareholders is principally represented by accumulated trading losses incurred throughout the Company's operations. The Company reported accumulated losses of approximately $28.4M at the date of Liquidation, reflecting a prolonged period of losses despite significant funding being received from investors, lenders and related parties.

The deficiency is also attributable to the loss on realisation of assets. In particular, a number of assets recorded in the Company's books and records, including accounts receivable, IP assets, the investment in Academy Xi (Singapore) Pte Ltd, prepayments and contract assets, are not expected to realise their book values.

The overstated liabilities recorded in the Company's books and records largely relates to the convertible notes which converted shortly prior to our appointment and deferred contract revenue which relates to prospective customer opportunities that did not eventuate.

14 INVESTIGATIONS AND RECOVERY ACTIONS

As Liquidators, we are required to review certain transactions to determine whether or not claims for statutory recoveries may be made for the benefit of creditors. Attached as "**Annexure I"** is the ARITA creditor information sheet on Offences, Recoverable Transactions and Insolvent Trading.

Whilst a potential claim may be identified having regard to a company's records, any net recovery ultimately depends upon:

- The costs involved in pursuing a claim; and
- The capacity of the defendant to meet such a claim.

14.1 INVESTIGATIONS UNDERTAKEN

During the course of these investigations, we have:

- Reviewed management accounts maintained electronically on Xero;
- Carried out ASIC and other searches available to us in relation to the Company;
- Ascertained by inquiring with the Directors and reviewing the Company's records regarding the history of the Company and nature of its business and circumstances leading to its failure;
- Performed a review of the available bank statements to identify potential preferences, uncommercial transactions, and unfair loans (sections 588FA, 588FB, 588FD and 588FE of the Act.

14.2 BOOKS AND RECORDS

Section 286 of the Act requires a company is to keep written financial records that:

- correctly record and explain its transactions, financial position and performance; and
- would enable true and fair financial statements to be prepared and audited.

The failure to maintain books and records in accordance with Section 286 of the Act may allow a Liquidator to presume a company was insolvent throughout the period the books and records were not maintained (Section 588E of the Act).

As discussed previously, we identified signed and unsigned versions of the FY2025 financial statements which contained a number of differences, including amendments to certain balances and disclosures. Further enquiries are being undertaken to determine the circumstances surrounding the preparation and circulation of those documents and whether any implications arise in respect of the Company's financial reporting.

Regardless, based on our review of the books and records available to us, including the Company's Xero accounting records, supporting financial information and payroll records, we are of the view that the Company largely maintained sufficient books and records in compliance with Section 286 of the Act.

15 FINDINGS AND RECOVERY ACTIONS

15.1 INSOLVENT TRADING

Pursuant to Section 588G of the Act, a director may be personally liable for insolvent trading by a company where:

- A person is a director at the time a company incurs a debt;
- The company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- At the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- The director was aware such grounds for suspicion existed; and
- A reasonable person in a like position would have been so aware.

The Act provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

Our assessment has been based on the information available to us from the Company's records, information provided by the Director, their advisers and on the basis of separate investigations of the Company's affairs.

15.2 INSOLVENCY ANALYSIS

15.2.1 Working Capital Analysis

A working capital analysis is generally based on a review of a company's financial records and management accounts to determine whether there were sufficient current assets to meet current liabilities, including any adjustments to the reported current assets and current liabilities.

The current ratio compares current assets to current liabilities. A current ratio over 1 indicates that there are sufficient current assets to meet current liabilities.

The working capital analysis has been prepared based on a review of the management accounts. The below table shows the working capital analysis as at each financial year end from 30 June 2022 up to appointment.

Academy Xi Pty Ltd Balance Sheet						
Working Capital Analysis	Year Ended 30-Jun-22 ($)	Year Ended 30-Jun-23 ($)	Year Ended 30-Jun-24 ($)	Year Ended 30-Jun-25 ($)	Period Ended 30-Jun-26 ($)	Period Ended 28-Jul-26 ($)
Current Assets	4,324,800.85	4,104,653.61	1,615,937.76	4,143,204.82	3,374,110.71	3,405,536.36
Current Liabiltiies	6,764,543.36	3,394,247.78	3,619,958.56	4,293,336.75	4,806,802.25	4,993,514.40
Net Working Capital	**(2,439,742.51)**	**710,405.83**	**(2,004,020.80)**	**(150,131.93)**	**(1,432,691.54)**	**(1,587,978.04)**
Current Asset Ratio	**0.64**	**1.21**	**0.45**	**0.97**	**0.70**	**0.68**

The working capital analysis reports a working capital deficiency throughout the review period, except for the year ended 30 June 2023. The Company's current liabilities generally exceeded its current assets, resulting in a current asset ratio of less than 1 for much of the review period.

From our investigations, we have identified the following adjustments that should be made:

- Funding received through convertible notes, loan facilities and related party advances has been brought back into earlier periods for the purposes of the adjusted working capital analysis. This approach reflects that the funding was available to the Company to address existing working capital requirements.
- Accounts receivable have been adjusted to reflect our assessment of recoverability. In particular, the provision for doubtful debts recorded in the Company's books and records has been replaced with an adjusted provision based on information obtained during our investigations and review of the recoveries in the ledgers.
- Tax liabilities have been adjusted to take into account the established payment arrangements. This provides a more accurate reflection of the Company's current obligations for the purposes of the adjusted working capital analysis.
- The intercompany loan payable to Academy Xi (Singapore) Pte Ltd has been excluded from the adjusted working capital analysis up to 30 June 2026 (it has been included at the date of appointment). Given this entity is a wholly owned subsidiary and the balance has remained fairly stagnant, there was likely an informal forbearance arrangement in place.

- The Marshall Investments debt has been included as a current liability at appointment, as the funding support was withdrawn (and presumably the secured debts called upon) in July 2026.

The adjusted working capital analysis provides a more accurate assessment of a company's liquidity position by adjusting the reported financial information. The below table shows the adjusted working capital analysis as at each financial year-end from 30 June 2022 up to appointment.

Adjusted Working Capital Analysis	Year Ended 30-Jun-22 ($)	Year Ended 30-Jun-23 ($)	Year Ended 30-Jun-24 ($)	Year Ended 30-Jun-25 ($)	Period Ended 30-Jun-26 ($)	Period Ended 28-Jul-26 ($)
Current Assets	4,324,801	4,104,654	1,615,938	4,143,205	3,374,111	3,405,536
Adjustments						
Add Funding Available						
Received via Convertible Bonds	4,350,000	1,575,000	2,925,000	1,207,000	-	
Received via loan facility	3,500,000	-	107,130	325,947	62,974	
Received from Related Parties	-	-	575,000	255,000	-	
Accounts Receivable						
Addback provision for doubtful debts	165,456	106,063	664,420	858,126	-	1,704,837
Less Adjusted Provision for Doubtful Debts	(281,195)	(572,017)	(1,149,089)	(1,589,424)	-	(2,317,288)
Subtotal	**12,059,062**	**5,213,699**	**4,738,399**	**5,199,853**	**3,437,085**	**2,793,086**
Current Liabiltiies	6,764,543	3,394,248	3,619,959	4,293,337	4,806,802	4,993,514
Adjustments						
Less ATO Debt	(446,872)	(371,511)	(516,921)	(242,174)	(162,472)	(163,710)
Add ATO Payment Arrangment Payments	-	35,525	50,000	64,623	11,066	11,066
Less Inter-company - Academy Xi (Singapore) Pte Ltd	(433,127)	(415,133)	(410,286)	(432,928)	(432,928)	-
Add Marshall Investments	-	-	-	-	-	3,842,445
Subtotal	**5,884,545**	**2,643,129**	**2,742,752**	**3,682,858**	**4,222,469**	**8,683,315**
Adjusted Net Working Capital	**6,174,517**	**2,570,570**	**1,995,647**	**1,516,995**	**(785,384)**	**(5,890,229)**
Adjusted Current Asset Ratio	**2.05**	**1.97**	**1.73**	**1.41**	**0.81**	**0.32**

As a result, the Company was able to continue trading via funding from convertible notes, loan facilities and related party funding to support its ongoing operations and liquidity requirements. The adjusted analysis indicates a positive adjusted working capital position up to 30 June 2025, before declining to an estimated adjusted deficiency of approximately $785K as at 30 June 2026 and approximately $5.89M at appointment.

15.2.2 Indicators of Insolvency

We have also observed the following indicators of insolvency:

- The Directors advised that the Company experienced financial difficulties from approximately mid-2025 and subsequently pursued various restructuring, recapitalisation and sale opportunities. Despite these efforts, the Company remained reliant on external funding and was ultimately unable to secure sufficient working capital to continue trading.
- The Company received significant funding through convertible notes, loan facilities and related party funding while continuing to report substantial losses throughout the review period. The Company's records indicate that approximately $14.9M of external funding was received between FY2023 and the Liquidation date, during which time the Company reported cumulative losses of approximately $13.7M.

Review Period Y/E	30/06/2023	30/06/2024	30/06/2025	30/06/2026	26/07/2026	Total
Received via Convertible Notes	4,350,000	1,575,000	2,925,000	1,207,000	-	**10,057,000.00**
Received via loan facility	3,500,000	-	107,130.37	325,946.67	62,974	**3,996,051.04**
Received from Related Parties	0	-	575,000	255,000		**829,999.99**
Total Borrowed	**7,850,000**	**1,575,000**	**3,607,130**	**1,787,947**	**62,974**	**14,883,051.03**
Losses Reported for FY	-5,301,617	-4,193,325	-1,332,048	-2,658,248	-218,261	**- 13,703,499.00**

- Despite receiving approximately $14.9M of external funding during FY2023 to FY2026, the Company continued to incur substantial losses of approximately $5.3M in FY2023, $4.2M in FY2024, $1.3M in FY2025 and $2.7M in FY2026. This suggests that the funding received was largely being utilised to support ongoing trading losses and working capital requirements rather than generating a sustainable improvement in the Company's financial position.

- Company records and correspondence obtained from the ATO indicate that the Company had substantial taxation arrears and established a number of payment arrangements from at least June 2022 onwards. Whilst the Company periodically reduced its taxation liabilities and entered into further payment arrangements, a number of those arrangements subsequently fell into arrears or defaulted, resulting in repeated collection activity and escalating recovery action by the ATO. This suggests that the Company experienced ongoing difficulties meeting its taxation obligations for an extended period prior to Liquidation.

- Key developments identified from the ATO records include:

    - **June 2022 -** First identified ATO payment arrangement established.

    - **November 2023 -** First identified payment arrangement default.

    - **July 2024 -** The ATO issued notices of intended recovery action and advised that the Company's tax debt may be reported to credit reporting bureaus.

    - **February 2025 -** The Company's taxation debt was reported to credit reporting bureaus.

    - **June 2026 -** The latest identified ATO payment arrangement defaulted shortly prior to Liquidation.

- The Directors advised that the Company enacted the Safe Harbour provisions under the Act and provided limited documentation relating to the plan. The correspondence reviewed indicates that the Directors first sought advice regarding the availability of Safe Harbour protection on 4 March 2024. Further legal advice was obtained from Hamilton Locke on 14 October 2024, following which a board resolution to enter Safe Harbour was executed on 18 October 2024. By 11 March 2025, correspondence referenced ongoing cash flow issues and raised questions as to whether voluntary administration may be required. The Directors subsequently advised that they considered the Company to have exited safe harbour in

around mid-2025 following the arrangement of further funding. Despite the reliance placed on the Safe Harbour process, no formal Safe Harbour plan or better outcome analysis has presently been provided.

- A review of creditor payment records indicates that, between March 2026 and July 2026, approximately 72% of trade creditor payments were made after their due date, with creditors being paid an average of approximately 35 days late. The proportion of late payments and increasing payment delays during this period may indicate that the Company was experiencing difficulty paying trade creditors as and when they fell due.

- Review of the Company's employee records identified significant employee movement throughout the review period. A total of 176 employees were employed by the Company and subsequently left between September 2015 and July 2026, with an average tenure of approximately 15 months and a median tenure of approximately 11 months. This may be indicative of instability within the business.

- The Company's former CEO, Vincent Creighton, ceased his employment with the Company on 2 May 2025. The departure of a key member of senior management during a period in which the Company was experiencing financial difficulties and pursuing restructuring and sale opportunities likely impacted the business operations.

- The Directors engaged external advisers to assist with financial reporting matters, restructuring initiatives and potential sale opportunities. During this process, accounting and financial reporting irregularities were identified which adversely affected a proposed sale transaction and the Company's ability to obtain further funding.

Despite the above indicators, there are a number of matters which require further consideration when assessing the Company's solvency position.

- The Company continued to receive significant funding from investors, secured lenders and related parties throughout the review period. Records reviewed indicate that approximately $14.9M was raised through convertible notes, loan facilities and related party funding between FY2023 and FY2026.

- The Directors enacted the Safe Harbour process on 18 October 2024 following legal advice. As noted above, correspondence reviewed indicates that the Directors took steps to seek restructuring and insolvency advice and subsequently implemented a Safe Harbour process. Whilst limited documentation has been provided in support of that process, the existence of the Safe Harbour initiative is a factor which requires further consideration when assessing the Company's solvency position and the availability of any potential claims. However, the Directors have advised that the Company exited Safe Harbour in around mid-2025, such that it does not appear to be relevant to debts incurred from 1 March 2026. Safe Harbour protection is also subject to the conditions in section 588GA(4) of the Act, including the payment of employee entitlements and compliance with taxation reporting obligations.

- The Company entered into a number of payment arrangements with the ATO between June 2022 and June 2026. Whilst several of those arrangements ultimately defaulted, the Company continued to engage with the ATO, entered into further payment arrangements and made

ongoing payments towards its taxation liabilities. At various times, those efforts resulted in a substantial reduction of the Company's reported tax debt by early 2026.

- The Company pursued restructuring, recapitalisation and sale initiatives throughout 2025 and 2026. Correspondence and facility documents indicate that Marshall Investments continued to provide funding support while those initiatives were being undertaken.

Based on the above, our preliminary view is that the Company may have become insolvent on a cashflow basis from approximately 1 March 2026. In particular, from around that period the Company ceased paying taxation liabilities as required and there were increasing delays in payments to trade creditors, showing there was increasing difficulty meeting creditor obligations as and when they fell due. These are our preliminary views and the insolvency date may ultimately be determined to be earlier as further investigations are conducted.

15.2.3 Potential Quantum of Insolvent Trading Claim

Determining the value of an insolvent trading claim will generally involve a forensic review of the debts incurred after the date on which it can be maintained that a company was insolvent and remain outstanding.

For the purposes of this Report, we have prepared a preliminary assessment of the claim on the assumption that the Company became insolvent from approximately 1 March 2026. On this basis, the insolvent trading claim is calculated at around $1.08M.

Insolvent Trading Claim Estimate	Estimate $
Debts Incurred after 1 March 2026	
Trade Creditors incurred as per company's Management Accounts	223,998.12
ATO	279,605.75
Employee Wages (Unpaid)	104,659.43
Airwallex	29,484.31
Student Contract Debts (Unearned Revenue estimate)	50,000.00
Funding from Marshall Investments	388,920.67
Insolvent Trading Claim	**1,076,668.28**

**We note that the above calculation is preliminary only and may be subject to change as further information becomes available.*

The above estimate is based on external creditor liabilities incurred after the assumed insolvency date. We have also included the funds advanced by Marshall Investments at the time the Company may have been insolvent, on the basis that the value of their security will be insufficient to repay their debt when applied to oldest loans first, and the later loan was effectively unsecured. We note that only the unsecured portion of that debt may be claimed, that the loss may need to take into account any dividend received by Marshall Investments in the Liquidation, and that Marshall Investments would share in any distribution to unsecured creditors in respect of its shortfall. The Directors may also contend that Marshall Investments advanced these funds with knowledge of the Company's financial position. Further investigations may result in adjustments to the above calculation, including the insolvency date ultimately adopted and the value of creditors' claims.

15.2.4 Defences available

A defence is available under the Act where a director can establish:

- There were reasonable grounds to expect that the Company was solvent, and they actually did so expect;
- They did not take part in management for illness or some other good reason; or
- They took all reasonable steps to prevent the Company incurring the debt.

We note that, during the period from the assumed insolvency date of 1 March 2026 to liquidation, the Company continued to receive some funding support from existing stakeholders. In particular, the Company received funding from Marshall Investments, convertible note investors and related parties during this period. The Directors may seek to argue that the continued availability of funding provided reasonable grounds to expect that the Company would be able to continue trading and meet its obligations as and when they fell due. Regardless, we note that ultimately the funding support was withdrawn and there are significant creditors who have not been paid.

We further note that the Directors pursued a number of restructuring and recapitalisation initiatives during 2025 and 2026, including a proposed sale transaction with BPP Holdings Limited. On 10 April 2026, the Company received an offer for approximately $19.5M. The Directors may seek to argue that they had reasonable grounds to expect that the proposed transaction would provide sufficient liquidity to enable the Company to continue trading and meet its obligations. However, as mentioned previously the sale to BPP Holdings Limited did not proceed, and may have been premised on misrepresented financial information such that it was never likely to complete.

The Directors have also advised that the Company entered a Safe Harbour process in October 2024 following legal advice obtained from Hamilton Locke. Correspondence reviewed indicates that the Directors continued to consider restructuring options, funding alternatives and voluntary administration during the relevant period. However, whilst some documentation has been provided regarding the Safe Harbour process, no formal Safe Harbour plan or better outcome analysis has presently been provided.

Ultimately, it is a matter for the Directors to raise any defence available to them. Our investigations are continuing at this time, and no concluded view has been formed regarding the availability or merits of any defence.

15.2.5 Recovery of Claim

In considering whether an insolvent trading claim should be pursued, a Liquidator would ordinarily have regard to the quantum of the claim, the likely costs of recovery proceedings, available defences and the financial capacity of any potential defendant, being the current Directors. It is possibly arguable that, Dr Gabriel, may be deemed to be acting as a de facto director in his capacity as CEO, and as such, could also be a defendant to an insolvent trading claim.

We have undertaken property title and other publicly available searches in respect of the Directors and Dr Gabriel, which shows:

- Rajeev Gupta may be the registered proprietor of a number of properties in NSW or share a common individual name.
- Michael An does not appear to be the registered proprietor of any properties in NSW.

- Cyril Gabriel appears to be the registered proprietor of a property in NSW.

At this stage, we have not obtained legal advice regarding the likely costs of pursuing any insolvent trading claim. However, such proceedings can be costly and may take a considerable period to resolve. Further investigations, legal advice and, if necessary, public examinations may be required to gather necessary evidence and test the claim, before any recovery action is commenced.

16 VOIDABLE TRANSACTIONS

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within a set period before the relation-back day, which is the date of our appointment.

These transactions usually relate to the period six (6) months prior to the date of our appointment; however, for certain circumstances, this period can be extended to four (4) years in relation to transactions with related entities and up to ten (10) years if the transactions were entered into for the purpose of defeating, delaying or interfering with creditors.

16.1 UNFAIR PREFERENCES

An unfair preference results when a company and a Creditor are parties to a transaction(s) and the Creditor receives more than it would receive if the transaction(s) are set aside, and the Creditor proved for the debt in the winding up. If it is ultimately determined that certain payments are potentially recoverable as unfair preferences, it would be necessary to establish:

- that the company was insolvent at the time the payments were made;
- that the payment was made within the relevant period before the relation-back day; and
- the recipient will have received more by way of the payment than if they were required to return those funds to the company and prove in the liquidation.

The clawback provisions available to us relate to payments to unrelated parties made within six (6) months from the date of our appointment, if the company is insolvent at that time, known as the RBP. There are also extended periods for transactions with related parties. A creditor may have a defence under section 588FG of the Act where, among other things, it can establish that it had no reasonable grounds to suspect the company was insolvent.

As discussed previously, our preliminary view is that the Company may have become insolvent on a cashflow basis from approximately 1 March 2026. Accordingly, we have undertaken a preliminary review of creditor transactions between 1 March 2026 and the date of Liquidation.

Our preliminary review has identified payments made to the ATO totalling approximately $127K during the RBP. Whilst the ATO is a substantial creditor of the Company and had agreed to a number of payment arrangements, further investigations may be required to determine whether any part of those payments may be recoverable and whether any statutory defences are available.

We have also identified the repayment of a short-term related party funding advance of approximately $50K during May 2026. Based on the records presently available, the funds were advanced to the Company and repaid the next day. Further investigations are being undertaken to determine the circumstances surrounding the transaction and whether any recovery may be available.

We are continuing to conduct our investigations, however, at this stage we have not identified any other unfair preference payments to pursue.

16.2 UNCOMMERCIAL TRANSACTIONS

A transaction is considered uncommercial if it is made at a time when a company is insolvent, and it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction having regard to:

- The benefits or detriment to the company of entering into the transaction; and
- The prospective benefits to other parties to the transaction.

As discussed previously, our preliminary view is that the Company may have become insolvent from approximately 1 March 2026. Accordingly, we have undertaken a preliminary review of transactions entered into by the Company during the period from 1 March 2026 to the date of Liquidation.

During this period, the Company continued to obtain funding from Marshall Investments, convertible note investors and related parties. Records reviewed indicate that approximately $607K of additional funding was received after 1 March 2026, comprising approximately $388K from Marshall Investments, approximately $52K through convertible note funding and approximately $167K from directors and related parties.

Whilst the continued availability of funding may have enabled the Company to continue trading and pursue restructuring and recapitalisation initiatives, further investigations are required to determine whether or not the Company entering into funding arrangements during a period of potential insolvency was commercially reasonable in the circumstances, having regard to the interests of creditors generally. In essence, the Company was funding payment of trade suppliers (short-term debt) by way of long-term debt.

As discussed above, we have also identified the repayment of a related party funding advance of approximately $50K during May 2026. Depending on the circumstances surrounding that transaction and the commercial benefit obtained by the Company, it may alternatively be characterised as an uncommercial transaction.

Further investigations are required to determine the merits of the above claims. At this stage, we have not identified any other uncommercial transactions.

16.3 UNREASONABLE DIRECTOR RELATED TRANSACTIONS (S588FDA)

A transaction is an unreasonable Director-related transaction of a company if:

- The transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition or issue by a company.
- The transaction is to a Director or close associate of the Director or for their benefit.
- A reasonable person in the company's circumstances would not have entered into the transaction having regard to the benefit or detriment to the company or other parties involved in the transaction.

As discussed above, we identified a repayment of approximately $50K to a related party during May 2026. Depending on the circumstances surrounding that transaction and the benefit obtained by the Company, it may also warrant consideration as an unreasonable director-related transaction.

Our preliminary investigations have not identified any other transactions which presently appear to constitute unreasonable director-related transactions.

16.4 UNFAIR LOANS (S588FD)

A loan is unfair if it is made to a Company at extortionate interest rates or the charges in relation to the loan are extortionate. In considering whether interest and charges are extortionate, regard must be had to the following:

- Risk the lender is exposed to;
- Value of the security;
- Term;
- Repayment schedule; and
- Amount of loan.

The Company entered into a number of funding arrangements with Marshall Investments, convertible note holders, the Directors, shareholders and related parties to support its ongoing operations and working capital requirements. Based on the information presently available, none of the funding arrangements reviewed appear to contain interest rates that would prima facie constitute an unfair loan within the meaning of section 588FD of the Act.

16.5 DISCHARGE OF RELATED PARTY DEBTS (S588FH)

A transaction is considered to have discharged a related party's debt if funds from a company are used to pay that Creditor which has had the effect of discharging, to the extent of a particular amount, a liability (whether under a guarantee or otherwise) of a related entity of a company.

Our preliminary investigations have not identified any such payments.

16.6 TRANSACTIONS FOR THE PURPOSE OF DEFEATING CREDITORS (S588FDB)

Transactions involving the removal or concealment of assets of a company for the purpose of preventing us from realising their value are voidable transactions and are recoverable by the Liquidators. These actions may constitute fraud by a director or any other person.

Our preliminary investigations have not identified any transactions which appear to have been entered into for the purpose of defeating creditors pursuant to section 588FDB of the Act.

16.7 CIRCULATING SECURITY INTERESTS CREATED WITHIN SIX MONTHS BEFORE THE RELATION-BACK DAY (S588FJ)

A circulating security interest in property of a company created within six months before the relation-back day may be void against a Liquidator. However, circulating security interests that are created within this period for consideration paid at or after the date of creation remains valid.

Review of the Company's books and records, PPSR searches and security documentation did not identify any security interests created within six months prior to liquidation. The principal security interest in favour of Marshall Investments was created and registered in June 2022, before the relevant review period.

17 BREACH OF DUTY CLAIMS

We have considered whether there may be claims against the Company's directors and other officers for breach of the duties they owed to the Company. These duties are in sections 180 to 183 of the Act, and some of them also exist under general law. In this regard, we have identified a number of matters which warrant consideration, subject to further investigations. These are discussed in detail below.

17.1 ALLEGED MISCONDUCT BY OFFICERS

As previously discussed, following concerns raised by BPP Holdings Limited during the due diligence process, the Company engaged an independent consultant to undertake a review of the Company's financial records in May 2026. The review identified material discrepancies between the accounting records maintained within the Company's Xero accounting system and financial information subsequently presented to the Board, investors, lenders and prospective purchasers. As previously discussed, the two versions of the FY25 financial statements (one of which was signed and the other was unsigned) showed material differences, summarised as follows:

Details	Signed Version	Unsigned Version	Variance
Revenue	5,043,768	2,964,519	2,079,249
Other income	4,062	120,269	(116,207)
Employee benefits	(2,264,500)	(2,094,526)	(169,974)
Administrative expense	(985,373)	(1,070,261)	84,888
Other expenses	(803,380)	(358,536)	(444,844)
Finance expenses	(527,993)	(594,203)	66,210
Profit/(loss)	**168,036**	**(1,331,553)**	**1,499,589**
Trade & other receivables	1,290,456	1,392,328	(101,872)
Deferred revenue	1,184,501	2,799,272	(1,614,771)
Total liabilities	15,233,141	16,846,610	(1,613,469)
Net assets	**(9,758,645)**	**(11,270,510)**	**1,511,865**

The findings of that review resulted in the Company commencing an investigation into the conduct of its former CEO, Cyril Gabriel, who was stood down in June 2026 during this investigation. Through its solicitors, Hamilton Locke, the Company alleged that Dr Gabriel misrepresented management accounts, overstated revenue and financial performance when providing this information to the Board, Marshall Investments, investors and prospective purchasers that was materially inconsistent with the Company's underlying accounting records. As a result, Dr Gabriel's employment was terminated for alleged serious misconduct.

The Company subsequently issued a notification to its insurer regarding the allegations against Dr Gabriel. We note that these allegations have not been judicially determined, and it appears that Dr Gabriel has disputed the allegations and our investigations into these matters remain ongoing. The Directors have included a value in the ROCAP for $3M. We are not in a position to provide any further comments regarding the management liability insurance policy at this stage, as we do not wish to jeopardise any potential insurance claim.

We made enquiries with the Company's external accountants and were advised that they produced the unsigned version of the financial statements but did not produce the signed version, which was materially different. The misrepresentation materially overstated the Company's financial position and performance, which is alleged to have been relied upon by certain creditors and investors when injecting funds into the Company. To date, we have not received formal notification and evidence from parties which specify the loss suffered, which may amount to alleged misleading and deceptive conduct on part of the Company and its officers. Our preliminary view is that such claims by those parties may be their own direct claims and would not form part of the Liquidation.

We note that the indicative offer from BPP Holdings Limited of approximately $19.5M (on a cash-free, debt-free basis) was based on a multiple of approximately 6.3 times the forecast FY2026 EBITDA of $3.1M to $3.5M presented by management. However, the Company's management accounts indicate that its actual FY2026 EBITDA was a loss of approximately $2.16M. Accordingly, we have not valued any claim by reference to the proposed sale.

At this stage, we consider there may be potential breach of duty claims against Dr Gabriel (as an officer of the Company) and/or the Directors of the Company (who had ultimate responsibility), including:

- Failure to exercise reasonable care and diligence;
- Failure to act in good faith;
- Improper use of position; and
- Improper use of information.

Assuming the Directors and officers ought to have been aware of the Company's true financial position from 1 July 2025, as opposed to the alleged misrepresented financials, the Company's loss may be measured by reference to the trading losses incurred from that date to our appointment of approximately $2.9M. This claim overlaps with the insolvent trading claim for the period from 1 March 2026 and any loss could only be recovered once. Accordingly, the insolvent trading claim has been deducted from this value for the purposes of our estimated returns. However, we note that our preliminary view is that any recovery from this claim, if pursued by way of a breach of duties claim, may be subject to Marshall Investments' security, not the general body of creditors.

Separately, certain creditors and investors who advanced funds to the Company in alleged reliance on the misrepresented financial information may have their own direct claims, and they should seek their own advice. Our preliminary view is that any recovery on those claims, including from any insurance that may respond, would be for the benefit of those parties and would not form part of the Liquidation. We note that the management liability policy may be subject to exclusions and we make no representation as to whether it will respond.

Further investigations, legal advice and, if necessary, public examinations may be required to determine the nature and extent of any available claims and the prospects of recovery.

18 SUMMARY OF POTENTIAL CONTRAVENTIONS

In summary, we consider there may be various potential contraventions of the Act as follows:

Section	Potential Contravention Identified	Summary of Offence
180	Failure to exercise reasonable care and diligence	Preparation, approval and reliance upon financial information which may not have accurately reflected the Company's financial position and performance.
181	Failure to act in good faith	Conduct contrary to the best interests of the Company in connection with the Company's financial reporting, funding activities and continued trading.
182	Improper use of position	Use of position in connection with the preparation and presentation of alleged misrepresented financial and commercial information to various parties, causing loss to the Company.
183	Improper use of information	Potential use of information obtained through a position with the Company in a manner causing detriment to the Company.
588G	Director's duty to prevent insolvent trading	Potential insolvent trading from approximately 1 March 2026, subject to further investigation.

We note that some of the above matters require further investigation, which is ongoing.

19 REPORT TO ASIC

We intend to report our findings to ASIC pursuant to Section 533(1) of the Act. The Section 533(1) report is confidential and is not available to creditors.

20 RECEIPTS AND PAYMENTS

Attached as **Annexure "G"** is a summary of receipts and payments for the Company during the Liquidation period to the date of this Report.

We are required to lodge statements of account with ASIC annually during the Liquidation. To date, our appointment has not exceeded twelve (12) months and as such, we are not required to lodge same but will do so if necessary, in accordance with the statutory timeframe.

21 ESTIMATED RETURN TO CREDITORS

Attached as **Annexure "H"** is an analysis of the advised estimated returns to creditors that may be available in the Liquidation.

The estimated returns remain subject to a number of variables, including the outcome of the proposed AdNeo asset sale, debtor recoveries, completion of the Pearson WIP, any potential insurance recovery, the outcome of our ongoing investigations and any recovery actions that may ultimately be available to us as the Liquidators. The estimates contained herein are illustrative only, as the timing and outcome of these matters remain uncertain.

In summary, we estimate the potential range of returns to creditors may be as follows:

Estimated Return to Creditors	High Cents/$	Low Cents/$
Secured Creditor	27	Nil
Priority Creditors	100	3
Unsecured Creditors	3	Nil

**Please note these figures are estimates only and the actual results may vary materially.*

A meaningful return to the secured creditor, Marshall Investments, is largely dependent on successful recovery of the breach of duties claim, which as previously mentioned, may be subject to their security.

Based on investigations undertaken to date and the assets presently identified, it is anticipated that there will be insufficient funds available to discharge priority creditor claims in full. We note that in the Low scenario, the return to priority creditors is dependent on successful recoveries from the circulating assets, being the debtors and WIP.

Any return to unsecured creditors remains dependent upon the outcome of the asset realisations and recovery actions referred to above. In particular, a return will be dependent on the successful recovery in respect of the potential insolvent trading claim, which will likely require litigation to pursue. In the High scenario, the potential return may discharge priority creditors in full and provide approximately 3 cents in the dollar to unsecured creditors, however creditors should be aware that litigation is costly and carries risk. Our estimates contained herein are illustrative only, and the timing and outcome are unknown at this time.

We encourage creditors, who have not already done so, to lodge their claim with this office by completing the POD form, attached as **Annexure "B"**, and return same together with documentary evidence to support your claim.

There will be no return to shareholders of the Company.

22 MEETING OF CREDITORS

A meeting of the creditors of the Company has been convened to be held at the offices of BRI Ferrier, Level 26, 25 Bligh Street, Sydney NSW 2000 on Thursday, 5 November 2026 at 3:00PM (AEDT). The formal Notice of Meeting is attached as **Annexure "A"** for your reference.

Virtual meeting facilities will also be made available should creditors wish to attend the meeting virtually. In order to attend the meeting virtually, you must register at the following link:

https://us06web.zoom.us/meeting/register/rFxQr3wTTwqZnLIZmv0UiA

To participate as a Creditor and/or eligible employee Creditor, you should:

- Provide us with a POD detailing your claim to be a Creditor and/or employee Creditor. A POD is enclosed as **Annexure "B"**. If you have previously provided a POD and wish to supplement it, you may do so. **Otherwise, Creditors whose PODs were accepted for voting at the previous meeting are not required to be re-lodged.**
- Creditors may attend in person or virtually, and vote personally, by proxy or by attorney. The appointment of a proxy, attached as **Annexure "C"**, must be in accordance with Form 532. A "special" proxy can be lodged showing approval or rejection of each proposal. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity. **Proxy forms used for previous meetings cannot be used for the upcoming meeting and it is necessary for Creditors to submit new proxy forms.**
- All forms are to be scanned and emailed by 4:00 PM one (1) business day prior to the meeting.

Pursuant to Section 477(2B) of the Act, we are required to seek approval from creditors, COI or the Court to enter agreements which may have a duration of more than three (3) months. In this regard, we intend to seek approval of the following engagements.

22.1 APPROVAL OF ADNEO SALE

As previously advised, we undertook a sale process in respect of the Company's IP assets. One of the key terms of the sale is an escrow period of six (6) months for the shares issued in AdNeo. As such, the agreement will extend beyond three (3) months. As such, the following resolution will be considered by creditors:

"That the Liquidators be authorised to enter into an agreement with AdNeo Limited for the sale of the Company's intellectual property assets, as disclosed in the Statutory Report to Creditors dated 21 October 2026, pursuant to section 477(2B) of the Corporations Act."

We consider the proposed transaction to be in the interests of creditors, having undertaken a public sale process and expressions of interest for the assets. We believe the offer received from AdNeo may potentially represent the best commercial value and we recommend creditors should approve this resolution. We note that Marshall Investments, as the first ranking secured creditor, has provided their consent to the sale terms.

If creditors do not approve the proposed transaction, we may be unable to complete the sale or may be required to seek approval from the Court. Any Court application would result in additional costs being incurred and may reduce the return available to creditors.

22.2 APPROVAL OF PEARSON WORK

As previously advised, we identified an opportunity to realise value from the Company's existing course development engagement with Pearson through the completion of course development work that had commenced prior to our appointment. To facilitate this work, we have engaged former employees as contractors for the completion of Pearson course development projects. Under the proposed arrangement, these contractors would be entitled, on a success-fee basis, to receive 55% of amounts recovered from Pearson in respect of completed work, with the remaining 45% retained by the Company for the benefit of creditors. We note that the proposed contractors, Chris Veness and Harvey Tate, are former employees of the Company and have priority claims in the Liquidation.

The initial engagement is intended to cover two course development projects with a value of approximately $32K that were already underway prior to our appointment. However, Pearson has an existing purchase order with a value of approximately $180K covering up to sixteen courses. Should the initial projects be completed successfully and Pearson proceed with further course development work, the engagement with the contractors to work on completion of the remaining courses will extend beyond three (3) months. Accordingly, the following resolution will be considered by creditors:

"That the Liquidators be authorised to enter into an agreement with Chris Veness and Harvey Tate for the completion of Pearson work in progress, as disclosed in the Statutory Report to Creditors dated 21 October 2026 pursuant to section 477(2B) of the Corporations Act."

Based on the current proposal, completion of the full Pearson course pipeline may generate gross recoveries of approximately $180K, with an estimated return to the Company of approximately $81K. We consider that the proposed arrangement represents a cost-effective means of realising value from work already commenced and may provide a material benefit to creditors. As such, we recommend that creditors approve this resolution.

If creditors do not approve the proposed engagement, we may be unable to pursue the opportunity or may be required to seek approval from the Court. Any Court application would result in additional costs being incurred and may reduce the net return available to creditors.

22.3 APPROVAL OF STUDENTPAY ENGAGEMENT

As previously advised, the Company's books and records reflect gross debtors of approximately $2.42M and approximately $713K net of the provision for doubtful debts. Given the age of the debtor book, including potential disputes relating to course participation, completion and withdrawals, we have engaged StudentPay to assist with the collection of outstanding accounts.

StudentPay has agreed to undertake collection activities on a contingency basis, with its commission calculated as 25% of successful recoveries. We consider this arrangement appropriate as it minimises upfront costs to the Liquidation and aligns StudentPay's commission with recoveries achieved for creditors. While collection activities have commenced, it is anticipated that the engagement may extend beyond three (3) months due to the volume of accounts requiring review and the need to manage debtor enquiries, disputes and recovery actions. As such, the resolution to be considered by creditors is as follows:

"That the Liquidators be authorised to enter into an agreement with StudentPay, as disclosed in the Statutory Report to Creditors dated 21 October 2026, pursuant to section 477(2B) of the Corporations Act."

We consider the engagement of StudentPay to be in the interests of creditors, as it provides an opportunity to realise value from the debtor book on a recovery basis and is in line with market rates.

If creditors do not approve the StudentPay engagement, we may cease the retainer or seek approval from the Court. Any Court application would result in additional costs being incurred and may reduce the return available to creditors.

23 TASKS REQUIRED IN THE LIQUIDATION

We anticipate that the following matters will be dealt with during the Liquidation moving forward:

- Holding meeting of creditors;
- Lodgement of a confidential report pursuant to Section 533(1) of the Act for the Company and await response from ASIC;
- Consider and pursue voidable transaction claims, if viable;
- Conducting further investigations in relation to potential claims identified, particularly the insolvent trading and breach of directors duties claims;
- Progressing the Pearson WIP and liaising with Pearson and contractors regarding the completion of outstanding course development work;
- Working with StudentPay in relation to the collection of outstanding debtor accounts;
- Liaising with the Department in respect of FEG claims and resolution of any discrepancies in employee entitlements;
- Statutory lodgements and general administrative matters; and
- Finalise.

Should any creditor have any relevant information which may assist our investigations or potential asset recoveries, they should contact our office without delay.

The timeframe of the Liquidation will largely depend on the outcome of our ongoing investigations, whether recovery actions are available and commercially viable. Should we determine that voidable transaction, insolvent trading or breach of duties claims ought to be pursued, the Liquidation may continue for a further two (2) to three (3) years, particularly where litigation is required.

Conversely, if no substantive recovery actions are pursued, the Liquidation may be finalised within approximately nine (9) to twelve (12) months, subject to the completion of outstanding asset realisations.

24 CONCLUSION

It would be appreciated if you would consider the matters detailed in this report and please write to this office setting out full particulars if you are:

- Aware of any errors in the information contained within this report including the non-disclosure of any divisible assets; and
- Have any information that you consider is relevant for creditors' decision making or relevant information that may help assist the liquidator's investigations into the affairs of the Company.

Creditors should however, maintain their records in relation to the affairs of the Company and advise this office of any change of address.

Additional general information regarding liquidations which may be of assistance, is available from the following websites:

- ARITA at www.arita.com.au/creditors ; and

- ASIC at www.asic.gov.au (search for "insolvency information sheets"), also attached as **"Annexure J"** to this report.

Should you require assistance in completing the relevant forms or have any queries, please contact the Administration Contact shown at page 1 of this report.

Any further reports will be issued as considered appropriate.

Yours faithfully,
ACADEMY XI PTY LTD (IN LIQUIDATION)



JONATHON KEENAN
Joint and Several Liquidator

ACADEMY XI PTY LTD
ACN 608 846 822
(IN LIQUIDATION)

Annexure "A"
Notice of Meeting of Creditors

FORM 529
CORPORATIONS ACT 2001

Insolvency Practice Rules (Corporations)
75-10, 75-15 & 75-20

NOTICE OF MEETING OF CREDITORS

Academy Xi Pty Ltd (In Liquidation)
ACN 608 846 822

("THE COMPANY")

NOTICE is given that a Meeting of the Creditors of the Company will be held at the offices of BRI Ferrier, Level 26, 25 Bligh Street, Sydney NSW 2000 on **Thursday, 5 November 2026 at 3:00PM AEDT.**

Virtual meeting facilities will be available, however please note that you must register at the following link: https://us06web.zoom.us/meeting/register/rFxQr3wTTwqZnLIZmv0UiA

Upon receipt of a valid Formal Proof of Debt Form and Proxy, a different link to access the virtual meeting will be emailed to you. This link will be unique for each attendee and should not be shared with other parties.

A G E N D A

1. To receive the Report of the Liquidators;
2. To consider, and if thought fit, approve the Liquidators entering into agreements pursuant to Section 477(2B) of the Corporations Act.
3. To consider any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Liquidators by 4:00 PM AEDT on the business day prior to the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 75-155 or, if a body corporate, by a representative appointed pursuant to Section 250D of the Corporations Act 2001.

Special Instructions for Meeting

Attendees who wish to attend the meeting virtually are required to register to attend the meeting at the above link. Those wishing to attend via telephone will also be required to complete the above registration process.

You will also need to provide a Formal Proof of Debt Form (including documentation to support your claim) and proxy form, if you are a corporate creditor or wish to be represented by another person.

In accordance with IPR 75-85, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Liquidators and their claim has been admitted for voting purposes wholly or in part by the Liquidators.

In accordance with IPR 5-5, a vote taken on a "show of hands" includes a vote taken using any electronic mechanism that indicates the intentions of a person in respect of a vote. This may include an attendee clicking a "raise a hand", or similar button, on a virtual meeting computer program, as well as verbally indicating their vote if dialing in to the meeting.

This definition is necessary to ensure that a show of hands may be used at a virtual meeting as an alternative to a poll.

DATED this 21st day of October 2026.



JONATHON KEENAN
JOINT AND SEVERAL LIQUIDATOR

BRI FERRIER
Level 26
25 Bligh Street
Sydney NSW 2000

Telephone: (02) 8263 2333

Note:
Insolvency Practice Rules (Corporations) 75-85: Entitlement to vote at meetings of creditors

(1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.

(2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.

(3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
- (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
- (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
  - (i) those particulars; or
  - (ii) if required—a formal proof of the debt or claim.

(4) A creditor must not vote in respect of:
- (a) an unliquidated debt; or
- (b) a contingent debt; or
- (c) an unliquidated or a contingent claim; or
- (d) a debt the value of which is not established;

unless a just estimate of its value has been made.

(5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
- (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
- (b) estimate its value;
- (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.

(6) A person is covered by this subsection if:

(a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and

(b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and

(c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

ACADEMY XI PTY LTD
ACN 608 846 822
(IN LIQUIDATION)

Annexure "B"
Formal Proof of Debt

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)

To the Joint and Several Liquidators of Academy Xi Pty Ltd (In Liquidation) ACN 608 846 822

1. This is to state that the Company was, on 28 July 2026 [1] and still is, justly and truly indebted to[2] (full name):

.....
('Creditor')

.....
of (full address)

for $ ..... dollars and ..... cents.

Particulars of the debt are *(please attach documents to support your claim e.g. purchase orders, invoices, interest schedules):*

Date	Consideration[3] state how the debt arose	Amount $	GST included $	Remarks[4] include details of voucher substantiating payment

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following: .....

Insert particulars of all securities held. Where the securities are on the property of the Company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor		Amount $ c	Due Date

☐ I am **not** a related creditor of the Company [5]

☐ I am a related creditor of the Company [5]
relationship:_____

3A.[6]* I am employed by the creditor and authorised in writing by the creditor to make this statement. I know 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.

3B.[6]* I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

The External Administrators' (whether as Voluntary Administrators/Deed Administrators/Liquidators) will send and give electronic notification of documents. Please provide your email address below:

Contact Name: _____

Email Address: _____

DATED this…….day of……..202……

Signature of Signatory.....

NAME IN BLOCK LETTERS .....

Occupation .....

Address.....

OFFICE USE ONLY

POD No:			ADMIT (**Voting / Dividend**) - Ordinary		$
Date Received:	/ /		ADMIT (**Voting / Dividend**) – Preferential		$
Entered into CORE IPS:			Reject (**Voting / Dividend**)		$
Amount per CRA/RATA	$		Object or H/Over for Consideration		$
Reason for Admitting / Rejection					
PREP BY/AUTHORISED			**TOTAL PROOF**		$
DATE AUTHORISED / /					

Proof of Debt Form Directions

* Strike out whichever is inapplicable.

(1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.

(2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.

(3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the Company between the dates of .....", "moneys advanced in respect of the Bill of Exchange".

(4) Under "Remarks" include details of vouchers substantiating payment.

(5) Related Party / Entity: Director, relative of Director, related Company, beneficiary of a related trust.

(6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.

B. An annexure to a form must:

(a) have an identifying mark;

(b) and be endorsed with the words:

i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*; and

(c) be signed by each person signing the form to which the document is annexed.

C. The pages in an annexure must be numbered consecutively.

D. If a form has a document annexed the following particulars of the annexure must be written on the form:

(a) the identifying mark; and

(b) the number of pages.

E. A reference to an annexure includes a document that is with a form.

ACADEMY XI PTY LTD
ACN 608 846 822
(IN LIQUIDATION)

Annexure "C"
Proxy Form for Meeting of Creditors

CORPORATIONS ACT 2001
Insolvency Practice Rules (Corporations)
75-25 & 75-150

APPOINTMENT OF PROXY
CREDITORS MEETING

ACADEMY XI PTY LTD
(IN LIQUIDATION)
ACN 608 846 822
ABN 84 608 846 822

*I/*We *(If a firm, strike out "I" and set out the full name of the firm.)*	
Of *(insert address of creditor)*	
being a creditor of the Company, appoint: *(Insert the name, address and description of the person appointed)*	
or in his or her absence *(Insert the name, address and description of the person appointed)*	
to vote for me/us on my/our behalf at the meeting of creditors to be held on Thursday, 5 November 2026 at 3.00PM AEDT, or at any adjournment of that meeting.	

Please mark any boxes with an **X**

Proxy Type: ☐ General ☐ Special

	For	Against	Abstain
Resolution 1: *"That the Liquidators be authorised to enter into an agreement with AdNeo Limited for the sale of the Company's intellectual property, as disclosed in the Statutory Report to Creditors dated 21 October 2026, pursuant to section 477(2B) of the Corporations Act."*	☐	☐	☐

	For	Against	Abstain
Resolution 2: *"That the Liquidators be authorised to enter into an agreement with Chris Veness and Harvey Tate for the completion of Pearson work in progress as disclosed in the Statutory Report to Creditors dated 21 October 2026 pursuant to section 477(2B) of the Corporations Act."*	☐	☐	☐
Resolution 3: *"That the Liquidators be authorised to enter into an agreement with StudentPay, as disclosed in the Statutory Report to Creditors dated 21 October 2026, pursuant to section 477(2B) of the Corporations Act."*	☐	☐	☐

INSTRUCTIONS FOR COMPLETING:

* Strike out if inapplicable.
(1) Insert name and address. If a firm, strike out "I" and set out the full name of the firm.
(2) Insert the name, address and description of the person appointed.

DATED this .....day of 2026

Signature: _____

Print Name: _____

Capacity/Role: _____

Contact Telephone: _____

Proxies should be returned to the offices of BRI Ferrier by 4.00 PM AEDT one (1) business day prior to the meeting by email to: jcassidy@brifnsw.com.au

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)

I, ...of.....certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person appointing the proxy and read to him before he attached his signature or mark to the instrument.

DATED this .....day of 2026

Signature of Witness: .....

Description: .....

Place of Residence: .....

ACADEMY XI PTY LTD
ACN 608 846 822
(IN LIQUIDATION)

Annexure "D"
Comparative Balance Sheets

Academy Xi Pty Ltd
ACN 608 846 822
Balance Sheet
For the Financial Years Ended 30 June 2022 to 28 July 2026

	Year Ended 30-Jun-22 ($)		Year Ended 30-Jun-23 ($)		Year Ended 30-Jun-24 ($)		Year Ended 30-Jun-25 ($)			Period Ended 30-Jun-26 ($)		Period Ended 28-Jul-26 ($)	
	Xero	FS	Xero	FS	Xero	FS	Xero	Unsigned FS	Signed FS	Xero	FS	Xero	FS
ASSETS													
CURRENT ASSETS													
Cash	1,183,901.40	1,182,924.00	1,976,139.58	976,140.00	347,415.23	247,415.00	278,914.82	278,915.00	278,915.00	15,031.01		2,488.26	
Accounts Receivable	2,637,666.47	2,637,666.00	1,591,860.71	1,573,795.00	1,413,530.88	1,427,500.00	2,133,780.03	2,134,247.00	2,148,582.00	2,411,406.97		2,417,287.77	
Provision for Doubtful Debts	(165,455.99)	(165,456.00)	(106,062.99)	(106,063.00)	(664,419.79)	(664,420.00)	(858,126.11)	(858,126.00)	(858,126.00)	(1,704,837.32)		(1,704,837.32)	
Software Development in Progress	168,356.01	168,356.00	354,313.38	354,313.00	290,372.81	0.00	288,295.13	0.00	0.00	282,967.37		285,240.10	
Income Tax Receivable (R&D receivable)	0.00	0.00	110,556.12	110,556.00	130,564.38	130,564.00	116,206.77	116,207.00	0.00	0.00		0.00	
Interest receivable	2,814.99	2,815.00	2,548.33	2,548.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Contract Asset	0.00	0.00	0.00	0.00	0.00	0.00	2,156,700.00	2,156,700.00	2,156,700.00	2,306,200.00		2,306,200.00	
Security deposits	45,494.16	45,494.00	0.00	0.00	0.00	100,000.00	0.00	0.00	0.00	0.00		22,300.00	
TOTAL CURRENT ASSETS	4,324,800.85	4,323,823.00	4,104,653.61	3,086,588.00	1,615,937.76	1,329,053.00	4,143,204.82	3,844,897.00	3,743,025.00	3,374,110.71		3,405,536.36	
NONCURRENT ASSETS													
Buildings (Fit-out costs)	32,944.15	32,944.00	8,745.24	8,745.00	1,301.62	1,301.00	0.00		0.00	0.00		0.00	
Computer Equipment	30,369.56	30,369.00	20,296.85	20,297.00	12,355.82	12,356.00	8,935.17	8,936.00	8,936.00	7,209.69		7,209.69	
Furniture and Fittings	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00		0.00	
Intangible Assets - Software Development	25,375.89	25,376.00	107,338.16	107,338.00	322,549.20	0.00	403,319.96		0.00	383,974.55		383,974.55	
Intangible Assets- Development costs	0.00	0.00	0.00	0.00	0.00	290,373.00	0.00	288,295.00	288,295.00	0.00		0.00	
Intangible Assets - Brand names	0.00	0.00	0.00	0.00	0.00	322,550.00	0.00	403,320.00	403,320.00	0.00		0.00	
Intangible Assets - Computer software	509,813.81	509,814.00	397,826.30	397,827.00	270,368.88	270,369.00	194,844.01	194,844.00	194,844.00	265,814.55		265,814.55	
Leasehold Improvement	5,527.00	5,527.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00		0.00	
Office Equipment	411.71	412.00	383.89	384.00	356.07	356.00	328.25	328.00	328.00	307.37		307.37	
Teaching Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00		0.00	
Trademarks	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00		0.00	
Virtual Reality Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00		0.00	
Investment in Singapore	782,992.50	782,993.00	782,992.50	782,993.00	825,000.00	825,000.00	825,000.00	825,000.00	825,000.00	825,000.00		825,000.00	
Lease Assets	312,330.60	312,331.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00		0.00	
Security Deposit on Credit Card	0.00	0.00	0.00	200,000.00	0.00	0.00	0.00		0.00	0.00		0.00	
Term Deposit	164,810.79	164,811.00	0.00	800,000.00	0.00	0.00	0.00		0.00	0.00		0.00	
Other Assets	0.00	0.00	0.00	0.00	0.00	10,480.00	0.00	10,480.00	10,480.00	0.00		0.00	
TOTAL NON-CURRENT ASSETS	1,864,576.01	1,864,576.00	1,317,582.94	2,317,583.00	1,431,931.59	1,732,785.00	1,432,427.39	1,731,203.00	1,731,470.00	1,482,306.16		1,482,306.16	
TOTAL ASSETS	**6,189,376.86**	**6,188,399.00**	**5,422,236.55**	**5,404,171.00**	**3,047,869.35**	**3,061,838.00**	**5,575,632.21**	**5,576,100.00**	**5,474,495.00**	**4,856,416.87**		**4,887,842.52**	
LIABILITIES													
CURRENT LIABILITIES													
Accounts Payable	581,036.97	581,037.00	221,003.14	221,003.00	479,920.09	479,751.00	166,203.17	165,490.00	165,490.00	335,187.37		383,839.11	
Accrued Commissions	520,208.92	520,209.00	13,936.05	13,936.00	34,107.94	0.00	71,973.53	0.00	0.00	140,439.89		140,439.89	
Accrued expenses	546,746.70	546,747.00	127,771.56	127,772.00	248,955.93	283,064.00	158,226.09	230,200.00	230,200.00	420,355.26		420,355.26	
Academy Xi BTA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		145.26	
Annual leave and long service leave	0.00	0.00	0.00	0.00	0.00	167,032.00	0.00	152,179.00	152,179.00	0.00		0.00	
ATO Integrated Client Account	0.00	0.00	469,333.09	469,333.00	516,920.53	0.00	242,174.41	0.00	0.00	(49,545.88)	N/A	(49,545.88)	N/A
Child Support Payable	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	706.80		2,768.91	
Convertible notes	0.00	0.00	0.00	0.00	0.00	5,925,000.00	0.00	8,100,000.00	8,100,000.00	0.00		0.00	
Deferred Revenue	2,955,476.82	2,955,477.00	1,625,622.61	1,625,623.00	1,436,776.51	1,436,777.00	642,571.89	2,799,272.00	1,184,501.00	196,380.54		196,380.54	
Fringe Benefits Tax (Payable/(Refund))	19,071.50	19,072.00	6,896.75	6,897.00	6,896.76	0.00	9,195.73	0.00	0.00	17,966.91		17,966.91	
GST	349,327.78	349,328.00	172,474.73	170,832.00	108,867.67	0.00	179,512.30	0.00	0.00	207,826.44		200,310.08	
Inter-company - Academy Xi (Singapore) Pte Ltd	433,126.66	433,127.00	415,132.63	415,133.00	410,285.86	410,286.00	432,927.80	1,044,361.00	1,044,361.00	432,927.80		432,927.80	
PAYG Withholdings Payable	112,105.04	112,105.00	54,226.00	54,226.00	45,178.01	0.00	34,532.01	0.00	0.00	174,240.00		209,782.00	
Provision for Employee Leave Entitlements	255,552.39	255,552.00	156,346.06	156,346.00	167,031.59	0.00	152,178.59	0.00	0.00	163,310.13		163,310.13	
Provision for Make Good Expenses (Office Lease)	60,000.00	60,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Rounding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(0.42)		(0.44)	
Short term loan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	309,855.76		341,606.16	
Superannuation Payable	146,673.97	146,674.00	89,897.43	89,897.00	64,674.79	0.00	47,141.23	0.00	0.00	112,523.83		129,345.55	
Academy Xi Credit Cards	3,475.70	3,476.00	41,607.73	41,608.00	100,342.88	0.00	0.00	0.00	0.00	17,021.15		29,484.31	
Academy Xi Debit Cards	977.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
American Express 1001	140,686.06	140,686.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	

Lease Liability - Current	415,351.19	415,351.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Long-term Debt - Current	225,046.81	225,047.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Contract Revenue Deferred	0.00	0.00	0.00	0.00	0.00	0.00	2,156,700.00	0.00	0.00	2,306,200.00		2,306,200.00
Unpaid Expense Claims	(320.85)	(321.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Other payables	0.00	0.00	0.00	0.00	0.00	844,167.00	0.00	512,663.00	513,966.00	0.00		0.00
Wages Payable - Payroll	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21,406.67		68,198.81
TOTAL CURRENT LIABILITIES	6,764,543.36	6,763,566.00	3,394,247.78	3,392,605.00	3,619,958.56	9,546,077.00	4,293,336.75	13,004,165.00	11,390,696.00	4,806,802.25		4,993,514.40
NON CURRENT LIABILITIES												
Convertible Notes	0.00	0.00	4,350,000.00	4,350,000.00	5,925,000.00	0.00	8,100,000.00	0.00	0.00	9,307,000.00		9,307,000.00
Director Loans	0.00	0.00	0.00	0.00	0.00	0.00	611,432.75	0.00	0.00	829,999.99		892,974.46
Long-term Debt - Tranche 1	0.00	0.00	3,500,000.00	3,500,000.00	3,442,445.00	3,442,445.00	3,442,445.00	3,842,445.00	3,842,445.00	3,442,445.00		3,442,445.00
Long-term Debt - Tranche 2	0.00	0.00	0.00	0.00	0.00	0.00	200,000.00	0.00	0.00	200,000.00		200,000.00
Long-term Debt - Tranche 3	0.00	0.00	0.00	0.00	0.00	0.00	200,000.00	0.00	0.00	200,000.00		200,000.00
TOTAL NON CURRENT LIABILITIES	0.00	0.00	7,850,000.00	7,850,000.00	9,367,445.00	3,442,445.00	12,553,877.75	3,842,445.00	3,842,445.00	13,979,444.99		14,042,419.46
TOTAL LIABILITIES	**6,764,543.36**	**6,763,566.00**	**11,244,247.78**	**11,242,605.00**	**12,987,403.56**	**12,988,522.00**	**16,847,214.50**	**16,846,610.00**	**15,233,141.00**	**18,786,247.24**		**19,035,933.86**
NET ASSETS	**(575,166.50)**	**(575,167.00)**	**(5,822,011.23)**	**(5,838,434.00)**	**(9,939,534.21)**	**(9,926,682.00)**	**(11,271,582.29)**	**(11,270,510.00)**	**(9,758,646.00)**	**(13,929,830.37)**		**(14,148,091.34)**
EQUITY												
Current Year Earnings	(4,654,114.99)	(4,654,115.00)	(5,301,616.73)	(5,318,040.00)	(4,117,522.98)	(4,104,671.00)	(1,332,048.08)		168,038.00	(2,658,248.07)		(218,260.98)
Retained Earnings	(10,070,294.67)	(10,070,295.00)	(14,724,409.66)	(14,724,410.00)	(20,026,026.39)	(20,026,026.00)	(24,143,549.37)	(25,474,525.00)	(24,130,697.00)	(25,475,597.45)		(28,133,845.53)
Share Capital	14,149,243.16	14,149,243.00	14,204,015.16	14,204,015.00	14,204,015.16	14,204,015.00	14,204,015.16	14,204,015.00	14,204,015.00	14,204,015.16		14,204,015.16
TOTAL EQUITY	**(575,166.50)**	**(575,167.00)**	**(5,822,011.23)**	**(5,838,435.00)**	**(9,939,534.21)**	**(9,926,682.00)**	**(11,271,582.29)**	**(11,270,510.00)**	**(9,758,644.00)**	**(13,929,830.36)**		**(14,148,091.35)**

ACADEMY XI PTY LTD
ACN 608 846 822
(IN LIQUIDATION)

Annexure "E"
Comparative Profit and Loss Statements

Academy Xi Pty Ltd
ACN 608 846 822
Comparative Profit and Loss Statements
For the Financial Years Ended 30 June 2022 to 28 July 2026

	Year Ended 30-Jun-22 ($)		Year Ended 30-Jun-23 ($)		Year Ended 30-Jun-24 ($)		Year Ended 30-Jun-25 ($)			Period Ended 30-Jun-26 ($)		Period Ended 28-Jul-26 ($)	
	Xero	FS	Xero	FS	Xero	FS	Xero	Unsigned FS	Signed FS	Xero	FS	Xero	FS
Income													
Corporate Training	1,664,374.51	1,664,375.00	1,394,753.08	0.00	160,545.16	1,837,955.00	907,009.93	907,010.00	2,579,148	1,126,164.72		16,250.00	
B2B Online	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,363.64		0.00	
Online courses	0.00	0.00	0.00	6,587,652.00	0.00	3,925,628.00	0.00	1,756,225.00	1,947,550	0.00		0.00	
Online Course Revenue - B2C	6,310,061.92	6,310,062.00	5,199,714.73	0.00	3,077,754.90	0.00	1,652,243.58	0.00	0.00	242,418.18		10,672.73	
Online Courses Revenue - B2B	0.00	0.00	0.00	0.00	0.00	0.00	103,980.68	0.00	0.00	68,415.32		0.00	
Online Courses Revenue - Overseas	0.00	0.00	0.00	0.00	3,150.00	0.00	0.00	0.00	0.00	0.00		0.00	
Partnerships	0.00	0.00	0.00	0.00	109,477.65	1,719,076.00	284,944.36	301,284.00	517,071.00	49,124.43		0.00	
Product Partnerships	0.00	0.00	0.00	0.00	0.00	0.00	16,340.37	0.00	0.00	12,385.13		0.00	
Sponsorship Income								0.00		863.64		0.00	
Total Income	**7,974,436.43**	**7,974,437.00**	**6,594,467.81**	**6,587,652.00**	**3,350,927.71**	**7,482,659.00**	**2,964,518.92**	**2,964,519.00**	**5,043,769.00**	**1,513,735.06**		**26,922.73**	
Cost of Sales													
Commission	351,508.05	0.00	(50,279.00)	0.00	271,212.98	0.00	69,764.19	0.00	0.00	82,953.85		831.00	
Corporate Training Instructors	569,912.18	569,912.00	391,142.53	0.00	57,400.05	0.00	79,724.47	0.00	0.00	87,405.43		2,909.09	
Licensing COS	334,175.45	334,175.00	402,317.67	0.00	258,328.55	0.00	16,749.03	0.00	0.00	12,447.50		0.00	
Marketing Expenses	2,547,621.29	0.00	2,218,914.99	0.00	1,280,452.82	0.00	163,474.93	0.00	0.00	35,822.20		1,291.59	
Online Courses - COS	961,876.90	961,877.00	584,581.40	0.00	463,578.57	0.00	244,824.99	0.00	0.00	126,802.92		1,200.00	
Workshops COS - General	0.00	0.00	0.00	0.00	9,000.00	0.00	836.36	0.00	0.00	4,708.00		0.00	
Cost of Sales	0.00	14,583.00	0.00	982,667.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Total Cost of Sales	**4,765,093.87**	**1,880,547.00**	**3,546,677.59**	**982,667.00**	**2,339,972.97**	**0.00**	**575,373.97**	**0.00**	**0.00**	**350,139.90**		**6,231.68**	
Gross Profit	**3,209,342.56**	**6,093,890.00**	**3,047,790.22**	**5,604,985.00**	**1,010,954.74**	**7,482,659.00**	**2,389,144.95**	**2,964,519.00**	**5,043,769.00**	**1,163,595.16**		**20,691.05**	
Other Income													
Bad debts Recovered	0.00	0.00	9,607.39	0.00	38,324.27	38,324.00	2,305.06	2,305.00	2,305.00	549.64		240.00	
Interest Income	2,280.21	2,280.00	13,038.24	13,038.00	20,754.83	18,207.00	1,756.78	1,757.00	1,757.00	186.73		4.80	
Government Subsidies	179,343.88	179,344.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
R&D Income	0.00	0.00	0.00	0.00	0.00	130,564.00	116,206.77	116,207.00	116,207.00	0.00		0.00	
Other Revenue	0.00	0.00	0.00	0.00	666.94	667.00	0.00	0.00	0.00	0.00		0.00	
Unrealised and realised currency gains	0.00	62.00	0.00	0.00	0.00	43,056.00	0.00	0.00	0.00	0.00		0.00	
Total Other Income	**181,624.09**	**181,686.00**	**22,645.63**	**13,038.00**	**59,746.04**	**230,818.00**	**120,268.61**	**120,269.00**	**4,062.00**	**736.37**		**244.80**	
Expenses													
Accounting & Tax Agent Fees - External	90,935.12	90,935.00	83,978.73	83,979.00	113,967.00	0.00	99,568.00	0.00	0.00	87,459.61		38.18	
Advertising	0.00	2,547,621.00	0.00	2,218,915.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Administrative expense	0.00	0.00	0.00	0.00	0.00	3,109,278.00	0.00	1,070,261.00	985,373.00	0.00		0.00	
Amortisation	297,422.21	297,422.00	334,746.55	334,747.00	295,279.65	0.00	202,506.10	0.00	0.00	111,882.89		0.00	
Annual Party	10,466.60	10,467.00	1,056.94	1,057.00	3,617.16	0.00	2,540.93	0.00	0.00	2,563.58		0.00	
Bad Debts Expense	208,163.10	208,163.00	538,398.08	538,398.00	593,192.79	0.00	193,706.32	0.00	0.00	846,711.21		0.00	
Bank Fees	5,511.49	5,511.00	8,207.13	8,207.00	3,189.79	0.00	19,650.97	0.00	0.00	7,247.35		735.68	
Bank Revaluations	0.00	0.00	0.00	0.00	0.05	0.00	(0.42)	0.00	0.00	1.76		0.00	
Bonus	170,347.00	170,347.00	(167,932.76)	(167,933.00)	(18,744.76)	0.00		0.00	0.00	0.00		0.00	
CAL Licence	42,695.59	42,696.00	43,994.00	43,994.00	9,062.42	0.00	(27,755.13)	0.00	0.00	2,272.73		0.00	
Cleaning	7,814.43	7,814.00	10,559.83	10,560.00	0.00	0.00	0.00	0.00		0.00		0.00	
Cloud software subscriptions	309,898.01	309,898.00	555,084.13	555,084.00	667,123.57	0.00	413,141.28	0.00	0.00	241,076.70		17,856.97	
Commercial Gifts	14,582.24	0.00	6,943.46	0.00	1,029.31	0.00	1,434.91	0.00	0.00	2,503.92		0.00	
Commission	0.00	351,508.00	0.00	(50,279.00)	0.00	0.00	0.00	0.00		0.00		0.00	
Computer Expenses & IT Supplies	7,523.58	7,524.00	3,011.81	3,012.00	656.86	0.00	215.43	0.00	0.00	510.92		0.00	
Consulting Fees	232,245.74	232,246.00	403,203.02	403,203.00	151,218.58	0.00	7,280.00	0.00	0.00	31,551.82		55,000.00	
Contractor/Temporary Help	307,105.76	307,106.00	127,062.05	127,062.00	30,905.00	0.00	0.00	0.00	0.00	33,526.80		6,290.80	
Depreciation	614,998.46	614,998.00	372,920.76	372,921.00	54,320.83	0.00	96,308.88	0.00	0.00	87,399.59		0.00	
Depreciation and amortisation expense	0.00	0.00	0.00	0.00	0.00	319,632.00	0.00	298,815.00	298,547.00	0.00	N/A	0.00	N/A
DO NOT USE - Business Meeting (external)	4,377.19	4,377.00	9,145.19	9,145.00	13,254.29	0.00	0.00	0.00	0.00	0.00		0.00	
DO NOT USE - Entertainment Staff (FBT)	10,913.55	10,914.00	1,141.88	1,142.00	684.96	0.00	0.00	0.00	0.00	0.00		0.00	
DO NOT USE - General Expenses	2,159.16	2,159.00	(2,159.76)	(2,160.00)	605.13	0.00	0.00	0.00	0.00	0.00		0.00	
DO NOT USE - Staff Refreshments/Amenities	157.60	158.00	4,173.25	0.00	4,309.79	0.00	0.00	0.00	0.00	0.00		0.00	
DO NOT USE - Staff Benefits - Wellbeing	9,658.12	9,658.00	11,435.62	0.00	4,613.69	0.00	0.00	0.00	0.00	0.00		0.00	
DO NOT USE - Staff Meeting (internal)	1,426.16	1,426.00	1,507.00	1,507.00	1,432.88	0.00	0.00	0.00	0.00	0.00		0.00	
DO NOT USE - Travel - National (includes Meals & Accommodation)	6,935.58	6,936.00	32,039.55	32,040.00	22,053.12	0.00	0.00	0.00	0.00	0.00		0.00	
Donations	0.00	0.00	0.00	0.00	580.00	0.00	2,416.00	0.00	0.00	0.00		0.00	
Employee benefits expense	0.00	0.00	0.00	0.00	0.00	2,984,805.00	0.00	2,094,526.00	2,264,500.00	0.00		0.00	
Employee Leave Entitlements	9,985.16	9,985.00	(99,206.33)	(99,206.00)	18,458.39	0.00	(14,853.00)	0.00	0.00	(2,090.46)		0.00	
Entertainment External (Non-FBT)	111.44	111.00	265.43	265.00	0.00	0.00	0.00	0.00	0.00	13.57		0.00	

Establishment Fees	0.00	0.00	70,000.00	70,000.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Filing Fees	703.00	703.00	739.00	739.00	780.00	0.00	0.00	0.00	0.00	0.00		0.00	
Finance expenses	0.00	0.00	0.00	0.00	0.00	626,623.00	0.00	594,203.00	527,993.00	0.00		0.00	
Fringe Benefits Tax	34,484.50	34,485.00	13,343.86	13,344.00	6,889.82	0.00	6,729.66	0.00	0.00	12,092.03		0.00	
Gain/Loss on IFRS16 Lease Adjustment	64,921.81	64,922.00	28,348.50	28,349.00	0.00	0.00	0.00	0.00		0.00		0.00	
HR expenses	292,991.76	292,992.00	67,442.10	67,442.00	18,280.67	0.00	7,935.50	0.00	0.00	11,181.14		718.18	
Income Tax Expense	0.00	0.00	(110,556.12)	0.00	(241,120.50)	0.00		0.00	0.00	0.00		0.00	
Insurance	55,246.78	55,247.00	106,165.97	106,166.00	58,109.64	0.00	39,931.34	0.00	0.00	38,654.11		0.00	
Interest Expense	74,380.83	74,381.00	407,607.76	407,608.00	497,362.31	0.00	527,993.03	0.00	0.00	296,692.04		0.00	
Internship	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,500.00		0.00	
Legal expenses	33,549.93	33,550.00	49,522.74	49,523.00	48,896.99	0.00	25,869.35	0.00	0.00	79,449.23		0.00	
Light, Power, Heating	973.60	974.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Make Good Expenses (Office Lease)	60,000.00	60,000.00	1,661.00	1,661.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Marketing Tech Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	159.61		0.00	
Membership Fee	8,109.79	8,110.00	4,773.62	4,774.00	2,560.15	0.00	0.00	0.00	0.00	379.12		0.00	
Merchant Fees (ZeeFi & Zip Fees)	128,697.71	128,698.00	152,376.30	152,376.00	143,065.30	0.00	41,527.97	0.00	0.00	(16,738.46)		260.00	
Motor Vehicle Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	82.40		0.00	
Office Supplies and Expenses	5,559.55	5,560.00	8,122.98	8,123.00	12,128.56	0.00	8,849.40	0.00	0.00	9,731.62		1,242.45	
Other expenses	0.00	0.00	0.00	0.00	0.00	4,777,810.00	0.00	358,536.00	803,380.00	0.00		0.00	
Partnership COS	0.00	0.00	0.00	402,318.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Payroll Tax	256,706.36	256,706.00	114,405.14	114,405.00	82,203.58	0.00	66,049.46	0.00	0.00	56,775.26		0.00	
Postage, Freight & Courier	779.09	779.00	961.36	961.00	478.82	0.00	0.00	0.00	0.00	34.86		0.00	
Printing & Stationery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	232.01		0.00	
Production Expenses	178.32	178.00	65.41	65.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Realised Currency Gains	17,663.58	17,664.00	12,237.39	12,237.00	(42,205.00)	0.00	3,783.57	0.00	0.00	(100.52)		0.00	
Rent	0.00	0.00	60,216.34	60,216.00	126,559.90	0.00	126,412.94	0.00	0.00	111,790.07		0.00	
Repairs and Maintenance	1,116.25	1,116.00	765.00	765.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Security	1,026.92	1,027.00	872.37	872.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Staff Benefits (Telephone, Wellbeing and Refreshments)	17,637.81	17,638.00	16,487.59	32,097.00	7,174.64	0.00	9,780.43	0.00	0.00	6,186.22		86.37	
Staff Gifts	12,472.76	12,473.00	225.80	226.00	396.49	0.00	0.00	0.00	0.00	353.95		0.00	
Staff Training	3,522.12	3,522.00	7,014.12	7,014.00	309.07	0.00	0.00	0.00	0.00	0.00		0.00	
Student Referral Fee	1,247.60	1,248.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Subscriptions	1,408.94	1,409.00	2,351.61	2,352.00	1,466.99	0.00	136.34	0.00	0.00	1,870.88		0.00	
Superannuation	475,656.95	475,657.00	428,597.42	428,597.00	263,217.25	0.00	226,869.20	0.00	0.00	190,845.27		16,821.72	
Telephone & Internet	14,762.39	14,762.00	11,782.03	11,782.00	770.00	0.00	344.59	0.00	0.00	0.00		0.00	
Travel - Local	2,891.81	2,892.00	1,200.87	1,201.00	5,800.62	0.00	11,876.38	0.00	0.00	28,178.83		905.08	
Unrealised Currency Gains	(61.99)	0.00	(430.92)	(431.00)	(945.54)	0.00	1,245.21	0.00	0.00	(396.35)		(108.62)	
Wages and Salaries	4,017,965.56	4,017,966.00	4,584,812.71	4,584,813.00	2,297,847.45	0.00	1,739,967.00	0.00	0.00	1,537,994.29		139,350.02	
Waste Management	1,115.69	1,116.00	1,788.73	1,789.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Web Development	200.48	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Web Hosting	93,738.45	93,738.00	49,576.34	49,576.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	
Work Visa Application Fee	0.00	0.00	0.00	0.00	3,188.22	0.00	0.00	0.00	0.00	0.00		0.00	
Total Expenses	**8,045,081.64**	**10,929,691.00**	**8,372,052.58**	**11,046,619.00**	**5,264,025.93**	**11,818,148.00**	**3,841,461.64**	**4,416,341.00**	**4,879,793.00**	**3,822,579.60**	**0.00**	**239,196.83**	**0.00**
Profit / (Loss) Before Income Tax	(4,654,114.99)	(4,654,115.00)	(5,301,616.73)	(5,428,596.00)	(4,193,325.15)	(4,104,671.00)	(1,332,048.08)	(1,331,553.00)	168,038.00	(2,658,248.07)	0.00	(218,260.98)	0.00
Income Tax Expense/(Benefit)				110,556.00									
Profit / (Loss) After Income Tax	**(4,654,114.99)**	**(4,654,115.00)**	**(5,301,616.73)**	**(5,318,040.00)**	**(4,193,325.15)**	**(4,104,671.00)**	**(1,332,048.08)**	**(1,331,553.00)**	**168,038.00**	**(2,658,248.07)**	**0.00**	**(218,260.98)**	**0.00**

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Annexure "F"
Deficiency Statement

	Academy Xi Pty Ltd A.C.N. 608 846 822 Book Value as at 28/07/2026 ($)	Directors' ERV (per ROCAP) ($)	Liquidator ERV ($)	Surplus ($)
Assets				
Computer Equipment	7,209.69	-	2,000	
Intangible Assets	265,814.55			
Intangible Assets - Software Development	383,974.55	450,000	100,000	
Software Development in Progress	285,240.10			
Office Equipment	307.37	-	-	
Investment in Singapore	825,000.00	-	-	
Contingent Asset - Insurance Claim	-	3,000,000	-	
Cash and Cash Equivalents	24,488	20,000	22,000	
Accounts Receivable	2,417,288	265,000	50,000	
Less: Provision for Doubtful Debts	(1,704,837)			
WIP (Pearson Contract)	-	-	32,500	
Hub Deposits	10,780	-	-	
Prepayments	66,378	-	-	
Contract Asset	2,306,200	-	-	
Total Assets	**4,887,843**	**3,735,000**	**206,500**	
Liabilities				
Priority Creditors	360,854	109,195	442,093	
Secured Creditor	3,842,445	-	5,739,846	
ATO	378,513	294,254	362,905	
Inter-company - Academy Xi (Singapore) Pte Ltd	432,928	-	432,928	
Contract Revenue Deferred	2,306,200	-	-	
Short term loan	341,606	-	-	
Director Loans	892,974	517,000	634,366	
Landlord	-	11,263	78,267	
Convertible Notes	9,307,000	315,000	336,901	
Other Unsecured Creditors	977,032	645,244	1,500,000	
Deferred Revenue	196,381	-		
	19,035,934	**1,891,956**	**9,527,305**	
Estimated Net Asset / (Deficiency)	**(14,148,091)**	**1,843,044**	**(9,320,805)**	**(9,320,805)**

Academy Xi Pty Ltd A.C.N. 608 846 822 Surplus/Deficiency Statement	Amount ($)	Amount ($)
Deficiency of Assets to Liabilities		9,320,805
Add: Loss of Share Capital		14,204,015
Estimated Total Deficiency for shareholder		**23,524,820**
These losses are represented by:		
a) Accumulated Losses		
Accumulated Losses as at 30 June 2026	28,133,846	
Current Year Loss as at 28 July 2026	218,261	
		28,352,107
b) Estimated Loss on Realisation of Assets		

Asset	Book Value as at 28/07/2026 ($)	Liquidator ERV ($)	Loss on Realisation ($)	
Computer Equipment	7,210	2,000	5,210	
Intangible Assets	265,815			
Intangible Assets - Software Development	383,975	100,000	835,029	
Software Development in Progress	285,240			
Office Equipment	307	-	307	
Investment in Singapore	825,000	-	825,000	
Contingent Asset - Insurance Claim	-	-	-	
Cash and Cash Equivalents	24,488	22,000	2,488	
Accounts Receivable	2,417,288			
Less: Provision for Doubtful Debts	(1,704,837)	50,000	662,450	
WIP (Pearson Contract)	-	32,500	(32,500)	
Hub Deposits	10,780	-	10,780	
Prepayments	66,378	-	66,378	
Contract Asset	2,306,200	-	2,306,200	
Total	**4,887,843**	**206,500**	**4,681,343**	**4,681,343**

c) Decrease in Creditor Claims disclosed on Balance Sheet

Liabilities	Book Value as at 28/07/2026 ($)	Liquidator ERV ($)	Unreported Liabilities ($)	
Priority Creditors	360,854	442,093	81,238	
Other Unsecured Creditors	977,032	1,500,000	522,968	
Deferred Revenue	196,381		(196,381)	
ATO	378,513	362,905	(15,608)	
Inter-company - Academy Xi (Singapore) Pte Ltd	432,928	432,928	-	
Contract Revenue Deferred	2,306,200	-	(2,306,200)	
Short term loan	341,606	-	(341,606)	
Director Loans	892,974	634,366	(258,608)	
Landlord	-	78,267	78,267	
Convertible Notes	9,307,000	336,901	(8,970,099)	
Secured Creditor	3,842,445	5,739,846	1,897,401	
Total	**19,035,934**	**9,527,305**	**(9,508,629)**	**(9,508,629)**

Deficiency as Above **23,524,820**

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Annexure "G"
Summary Receipts & Payments

Receipts and Payments Summary By Account: Academy Xi Pty Ltd - Academy Xi Pty Ltd (In

Bank, Cash and Cash Investment Accounts: All Dates (Gross Method)

Type	Account	GST	Total
TRADING PAYMENTS			
	PAYG Control (Trading): PAYG Withheld		206.00
	Super		(104.40)
	Super Control (Trading): Super Withheld		0.00
	Wages & Salaries		(870.00)
		0.00	(768.40)
	Net Trading Receipts and Payments	0.00	(768.40)
NON-TRADING RECEIPTS			
	Academy Xi CBA BOS account		493.00
	Academy Xi CBA BTA account		286.86
	Bank Refund		0.35
	Cash at Bank		22,300.00
	Customer Income		4,766.00
	Debtor Income	1,800.90	19,809.84
	Interest Income		104.22
	Sale of business		4,000.00
	Sale of business refundable deposit		12,000.00
		1,800.90	63,760.27
NON-TRADING PAYMENTS			
	Bank Charges		(38.58)
	Consultant Fees	(525.00)	(5,775.00)
	Employee Reimbursement	(12.91)	(142.00)
	IT Costs	(455.60)	(5,011.60)
	Sale of business refundable deposit		(8,000.00)
	Software expenses	(200.00)	(2,200.00)
		(1,193.51)	(21,167.18)
	Net Non-Trading Receipts and Payments	607.39	42,593.09
	Net Receipts (Payments)	607.39	41,824.69

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Annexure "H"
Estimated Outcome Statement

Academy Xi Pty Ltd (In Liquidation) Estimated Outcome Statement	Notes	Book Value as at 28/07/2026 ($)	Directors ROCAP ERV ($)	Administrators' ERV Liquidation (High)	Administrators' ERV Liquidation (Low)
Assets					
Non-Circulating Assets					
Computer Equipment		7,210	-	5,000	2,000
Intangible Assets		265,815			
Intangible Assets - Software Development		383,975	450,000	100,000	10,000
Software Development in Progress		285,240			
Office Equipment		307	-	-	-
Investment in Singapore		825,000	-	-	-
Contingent Asset - Insurance Claim		-	3,000,000	-	-
Less: Liquidators costs of realising assets		-	-	(50,000)	(60,000)
Less: Legal costs		-	-	(5,000)	(10,000)
Less: Agents Commission		-	-	(1,000)	(400)
Less: Return to Marshall Investments		-	-	(49,000)	-
Total Non-Circulating assets		**1,767,546**	**3,450,000**	**-**	**(58,400)**
Circulating Assets					
Cash and Cash Equivalents		24,488	20,000	22,000	22,000
Accounts Receivable		2,417,288	265,000	100,000	50,000
Less: Provision for Doubtful Debts		(1,704,837)			
Less: Accounts Receivable Recovery Costs		-	-	(25,000)	(12,500)
WIP (Pearson Contract)		-	-	180,250	32,500
Less: WIP Recovery Costs		-	-	(99,138)	(17,875)
Hub Deposits		10,780	-	-	-
Prepayments		66,378	-	-	-
Contract Asset		2,306,200	-	-	-
Less: Liquidators costs of realisation		-	-	(45,000)	(60,000)
Less: Dividend to Priority Creditors		-	-	(133,113)	(14,125)
Total Circulating assets		**3,120,296**	**285,000**	**-**	**-**
Total Asset Recovery		**4,887,843**	**3,735,000**	**-**	**(58,400)**
Recoveries in Liquidation					
Voidable Transactions & Recoveries		-	-	177,487	-
Insolvent Trading Claims		-	-	1,076,668	-
Breach of Director Duties Claims (subject to Marshall's security)		-	-	1,799,841	-
Less: Liquidators costs of pursuing breach of duties claim		-	-	(350,000)	-
Less: Return to Marshall Investments		-	-	(1,500,921)	-
Total Recovery		**-**	**-**	**1,203,075**	**-**
Estimated Funds available for Creditors		**4,887,843**	**3,735,000**	**1,203,075**	**(58,400)**
Less Estimated Costs (Excl. GST)					
Liquidator Remuneration (Accrued)		-	-	195,000	180,000
Liquidator Remuneration (Future)		-	-	300,000	140,000
Liquidator Disbursements		-	-	1,000	1,000
Accountant costs		-	-	15,000	-
Legal fees		-	-	200,000	10,000
Total Estimated Costs		**-**	**-**	**711,000**	**331,000**
Estimated Net Asset recovery		**4,887,843**	**3,735,000**	**492,075**	**(389,400)**
Estimated Surplus Available to Priority Creditors		**4,887,843**	**3,735,000**	**492,075**	**(389,400)**
Priority Creditors					
Wages and Superannuation		197,544	81,461	168,607	168,607
Annual Leave and Long Service Leave		163,310	27,733	122,690	122,690
PILN and Redundancy		-	-	150,796	150,796
Less Dividend to priority creditors from circulating assets		-	-	(133,113)	(14,125)
Total Priority Creditors		**360,854**	**109,195**	**308,980**	**427,968**
Estimated Surplus Available to Unsecured Creditors		**4,526,988**	**3,625,805**	**183,095**	**(817,368)**
Unsecured Creditors					
Other Unsecured Creditors		977,032	645,244	1,141,123	1,500,000
Deferred Revenue		196,381	-		
ATO		378,513	294,254	362,905	362,905
Inter-company - Academy Xi (Singapore) Pte Ltd		432,928	-	-	432,928
Contract Revenue Deferred		2,306,200	-	-	-
Short term loan		341,606	-	-	-
Director Loans		892,974	517,000	634,366	634,366
Landlord		-	11,263	78,267	78,267
Convertible Notes		9,307,000	315,000	336,901	336,901
Residual Secured Creditor Claim (Marshall Investments)		3,842,445	-	4,189,925	5,739,846
Total Unsecured Creditors		**18,675,079**	**1,782,761**	**6,743,487**	**9,085,213**
Total Creditors		**19,035,934**	**1,891,956**	**7,185,580**	**9,527,305**

Academy Xi Pty Ltd (In Liquidation) Estimated Outcome Statement	Notes	Book Value as at 28/07/2026 ($)	Directors ROCAP ERV ($)	Administrators' ERV Liquidation (High)	Administrators' ERV Liquidation (Low)
Estimated Surplus/(Shortfall)		(14,148,091)	1,843,044	(6,693,505)	(9,916,705)

Summary of Return to Creditors	Liquidation High Cents/$	Liquidation Low Cents/$
Secured Creditors	27	0
Priority Creditors	100	3
Unsecured Creditors	3	Nil

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Annexure "I"
ARITA Information Sheet - Offences, Recoverable Transactions and Insolvent Trading

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading

Offences

A summary of offences under the Corporations Act that may be identified by liquidators or administrators:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4) / 453F 475(9)) / 497(4) / 530A – 530B	Failure by directors to assist, deliver records and provide information.
438C(5) / 477(3) / 530B	Failure to assist, deliver up books and records and provide information.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation, or three months if a simplified liquidation process is adopted. The company must have been insolvent at the time of the transaction or become insolvent because of the transaction.

Where a creditor receives a preference*, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

**Must be greater than $30,000 for unrelated creditors in a simplified liquidation*

Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.

Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Unfair Loan

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

Arrangements to avoid employee entitlements

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

Unreasonable payments to directors

Liquidators have the power to reclaim '*unreasonable payments*' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

Voidable charges

Certain charges over company property are voidable by a liquidator:

- circulating security interest within six months of the liquidation, unless it secures a subsequent advance
- unregistered security interests
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The director may also be able to avail themselves of safe harbour, if they meet certain conditions.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains 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. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

Queries about the external administration should be directed to the insolvency practitioner's office.

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Annexure "J"
ASIC Information Sheet - Insolvency Information for Directors, Employees, Creditors and Shareholders

Insolvency information for directors, employees, creditors and shareholders

Information sheet – 39

> This is **Information Sheet 39 (INFO 39)**. It lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- INFO 41 *Insolvency: A glossary of terms*
- INFO 42 *Insolvency: A guide for directors*
- INFO 43 *Insolvency: A guide for shareholders*
- 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 74 *Voluntary administration: A guide for creditors*
- INFO 75 *Voluntary administration: A guide for employees*
- INFO 84 *Independence of external administrators: A guide for creditors*
- INFO 85 *Approving fees: A guide for creditors*

Where can I get more information?

Further information is available from the ARITA website. The ARITA website also contains the ARITA Code of Professional Practice for Insolvency Practitioners.

Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice. We encourage you to seek your own professional advice to find out how the applicable laws apply to you, as it is your responsibility to determine your obligations.

You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases, your particular circumstances must be taken into account when determining how the law applies to you.

Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

This information sheet was updated on 1 September 2017.