



# ASHLEY SERVICES GROUP

TRAINING | RECRUITMENT | LABOUR HIRE

20<sup>th</sup> January 2017

The Company Announcements Office  
Australian Securities Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sirs

## **Business Update and Outlook, Senior Appointments and Voluntary Suspension Continuation**

### ***Training Business Update***

Further to its 23<sup>rd</sup> December 2016 ASX Announcement, Ashley Services Group Limited ('the Company') advises that the Victorian Department of Education and Training ('VIC Department') has completed its evaluation on the Company's application for the Standard 2017 VET Funding Contract – 2017 *Skills First* Program ('Contract') and has decided not to make Contract Offers to two of its Registered Training Organisations ('RTOs') – Ash Pty Limited (ASH) and The Australian Institute of Vocational Development (AIVD) Pty Limited.

The VIC Department has however issued a Contract Offer for a 2017 VET Funding Contract *Skills First* Program – Non-Victorian based RTO delivering to a National Enterprise ('VET Funding Contract') to one of its RTOs, Vocational Training Australia Pty Limited (VTA). The VET Funding Contract offered is subject to a number of conditions, including;

- One client who is considered a National Enterprise;
- Two specific qualifications; and
- An initial training provider allocation of 1,000 commencements.

In its 23<sup>rd</sup> December 2016 ASX Announcement, the Company advised, inter alia, that ASH and VTA had not been issued with 2017 Smart and Skilled funding contracts in NSW. Coupled with the above information, this means that for calendar 2017, the Company currently has no materially significant state funding contracts in NSW and Victoria.

The Company is now implementing plans to ensure effective continuation of training delivery to existing state funded students, but will further reduce the scope and geography of its training operations, with a much stronger focus on its fee for service operations.

### ***Business Outlook and Strategic Review update***

The labour hire business continued to operate strongly during Quarter 2, with a record revenue month during the December seasonal peak.

As announced on 25<sup>th</sup> November 2016, the Company is conducting a Strategic Review with an engaged third party to attain optimal outcomes for all stakeholders.

The Company confirms that the Strategic Review is on track to be completed by 28<sup>th</sup> February 2017 at which time the full financial impacts of the above NSW and Victorian funding matters, along with the Board's strategic decisions and the resulting financial implications may be reliably estimated.

***Appointment of Managing Director (MD)***

Effective 23<sup>rd</sup> January 2017, Mr Ross Shrimpton will assume the role of Managing Director (MD) of Ashley Services Group Limited. Mr Shrimpton is the founder and former MD and CEO of Ashley Services Group Limited and has been a Non-Executive Director of the Company since 15<sup>th</sup> February 2016. In line with previous plans, Paul Brittain will continue as Interim Chief Executive Officer (CEO) through to 17<sup>th</sup> February 2017, when he leaves the business.

A summary of the key terms of engagement for Mr Shrimpton is attached.

***Appointment of Chief Financial Officer (CFO)***

Chris McFadden has been appointed CFO of Ashley Services Group Limited. Mr McFadden has over 25 years of financial management experience and extensive experience managing all aspects of the finance function of publicly listed companies. Mr McFadden was most recently CFO at sass & bide and has held CFO positions at Staples and Ross Human Directions Limited, as well as the role of Senior Commercial Manager at Woolworths Limited.

***Voluntary Suspension Continuation***

Given the abovementioned Strategic Review is in progress, the Company remains in voluntary suspension.

Yours faithfully

Ron Hollands  
Company Secretary



## **Summary of Key Terms of Engagement – Mr Ross Shrimpton**

### **Commencement Date**

The Company will employ Mr Shrimpton in the position of Managing Director effective 23<sup>rd</sup> January 2017.

### **Term**

Mr Shrimpton will be appointed for an ongoing term subject to termination by either party giving 6 months' notice.

### **Remuneration**

#### ***Fixed Remuneration***

Mr Shrimpton will be entitled to a fixed annual salary of \$300,000 (inclusive of superannuation). This will be subject to annual review.

#### ***Short Term Incentive (STI)***

Mr Shrimpton will not be entitled to an STI.

#### ***Long Term Incentive (LTI)***

Mr Shrimpton will not be entitled to an LTI.