Site

ASX RELEASE

31 August 2018

Appendix 4E and Annual Report

The Directors of Site Group International Limited ("Site") are pleased to announce the release of:

- Appendix 4E – Preliminary Final Report for the year ended 30 June 2018: and
- 2018 Annual Report

The attached annual report contains details of the achievements of the group over the last financial year.

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Media and Investors

Vernon Wills
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Principal & Registered Office: Level 4, 488 Queen St, Brisbane QLD 4000

Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	Site Group International Limited
ABN	73 003 201 910
Financial Year Ended	30 June 2018
Previous Corresponding Reporting Period	30 June 2017

Results for Announcement to the Market

	$'000	Percentage increase /(decrease) over previous corresponding period
Revenue and other income	30,306	4% increase
Profit / (loss) after tax attributable to members	(6,042)	88% Decrease of loss
Net profit / (loss) for the period attributable to members	(6,042)	88% Decrease of loss

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	0.0 cents	0.0 cents
Interim Dividend	0.0 cents	0.0 cents
Record date for determining entitlements to the dividends (if any)	Not applicable	

Dividends

Date the dividend is payable	Not applicable
Record date to determine entitlement to the dividend	
Amount per security	
Total dividend	
Amount per security of foreign sourced dividend or distribution	
Details of any dividend reinvestment plans in operation	
The last date for receipt of an election notice for participation in any dividend reinvestment plans	

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	(0.001) cents	(0.13) cents

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer attached annual report

Commentary on the Results for the Period

The earnings per security:
The current year result is a loss per share of (0.92) cents as compared to the prior year loss per share of (9.73) cents.

The underlying result excluding the DET recovery in December and non-recurring impairment of intangibles was a loss of $4.9m on revenues of $30.3m. The results continue to be impacted by the distraction of the VET FEE-HELP (VFH) dispute, which requires ongoing substantial commitment of group management resources and is incurring significant associated expenses. In line with Financial Year 2017 results, without the VFH segment distraction to the business, the group result would likely have been significantly improved. The results include an impairment recorded against intangibles in the Wild Geese International business of $3,797,413 made at 30 June 2018.

Management have recently announced a focus on Site's International operations where it is enjoying significant customer growth and developing strong export growth for Australia.

For further review of results please refer to the Directors report on page 8 of the attached annual report.

Returns to shareholders including distributions and buy backs:

Not applicable

Significant features of operating performance:

Refer to the Directors' Report

The results of segments that are significant to an understanding of the business as a whole:

Refer to Note 19 to the Accounts (Operating Segments)

Discussion of trends in performance:

Refer to the Directors' Report

Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:

Refer to the Directors' Report

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	✓	The accounts have been subject to review	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:
Not Applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:
Not Applicable

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Audited financial statements 30 June 2018

Signed By (Director/Company Secretary)	
Print Name	Vernon Wills
Date	31 August 2018

Site Group International Limited
and Controlled Entities

ABN 73 003 201 910

Annual report – 30 June 2018

Table of Contents

Annual General Meeting

The Annual General Meeting of the Company will be held at

Time:	11:00am
Date:	Thursday, 22 November 2018
Location:	488 Queen Street, Brisbane QLD 4000.

Managing Director and CEO Letter

In 2018, Site Group International Limited's business units have been resilient, delivering revenue growth on the back of significant contract wins in the latter part of the financial year. The company is also benefiting from its strategic development, particularly in international markets, during the financial year which has generated results evident in post 30 June 2018 announcements.

There remains considerable distraction of management and operational resources due to ongoing disputes with various Federal departments, driven by a challenging regulatory environment across the vocational education and training sector, as well as the non-payment of outstanding monies by Department of Education and Training (DET).

The underlying result excluding recovery from DET in December and non-recurring impairment of intangibles was a loss of $4,914,472 on revenues of $30,306,134. The results continue to be impacted by the distraction of the VET FEE-HELP (VFH) dispute, which requires ongoing substantial commitment of group management resources and is incurring significant associated expenses.

In line with Financial Year 2017 results, without the VFH segment distraction to the business, the group result would likely have been significantly improved. The results include an impairment recorded against intangibles in the Wild Geese International business of $3,797,413 made at 30 June 2018.

The Australian businesses have been impacted heaviest by the dispute with the regulators and the sledgehammer approach being taken to the industry with the National VET Regulator, the Australian Skills Quality Authority (ASQA), cancelling RTO registrations at an alarming frequency and ratio. It has also become apparent that ASQA is treating the private training sector differently the public sector where, despite well publicised shortcomings of numerous TAFE's, they continue to operate despite significant failures. In our opinion the same treatment is clearly not being afforded to others, a large number of who are being excessively and punitively penalised for comparatively minor and subjective non-compliances.

In Australia despite the ongoing battle with ASQA in the Administrative Appeals Tribunal, most customers have been very supportive based on the quality of training delivered and a wide-held view of regulatory overreach in the training sector. In many instances Site is regularly audited by National and Global Industry leaders who measure against objective Industry standards and hold Site in high regard. This satisfaction is reflected in the domestic training revenue growth of Site Skills Group which, while a positive result, has been substantially impacted as a result of the regulators activities.

Site continues to train up to 30,000 Australians every year with extremely high completion and student satisfaction rates with the vast majority of trainees either in or entering into the workforce.

The Group continues to excel internationally, with strong relationships with Industry and foreign governments who appreciate Site's approached to competency focussed programs designed to satisfy workforce needs around the world. Site's nationalisation of workforce programs are having great effect in countries such as PNG, Myanmar, Philippines and Saudi Arabia.

Site has also recently announced a focus on its International operations where it is enjoying significant customer growth and developing strong export growth for Australia. Earlier this year Australia`s recently departed Prime Minister made recognition of Site`s contribution to ASEAN in his opening address and Business Leaders address at the Sydney ASEAN Conference. Site's CEO was an invited guest speaker at this broadcast event.

I would like to thank our recently retired board members, former Chairman Darryl Somerville and Director Joe Ganim, for their support and guidance through a tumultuous period, ongoing Directors Peter Jones (Chairman of Site Group International Limited) and Nicasio Alcantara (Chairman of Site Group's International Operations), all management and staff and equally all shareholders for their ongoing support through this period of instability.

Vernon Wills
Managing Director and CEO

Corporate Directory

Directors	Peter Jones (Chairman) Vernon Wills Nicasio Alcantara
Company Secretary	Craig Dawson
Chief Executive Officer	Vernon Wills
Principal registered office in Australia	Site Group International Ltd. Level 4, 488 Queen Street Brisbane Qld 4000 Telephone: +61 7 3114 5188
Principal place of business	Site Group International Ltd. Level 4, 488 Queen Street Brisbane Qld 4000 Telephone: +61 7 3114 5188
Share registry	Computershare Investor Services Pty Limited Level 1, 200 Mary Street Brisbane QLD 4000, Australia Telephone: +61 7 3237 2100
Auditor	Pitcher Partners Level 38, 345 Queen Street Brisbane QLD 4000, Australia Telephone: +61 7 3222 8444
Solicitors	Hopgood Ganim Level 8, 1 Eagle Street Brisbane Qld 4000 Telephone: +61 7 3024 0000
Bankers	National Australia Bank Cnr. Adelaide and Creek Streets Brisbane QLD 4000 Westpac Banking Corporation 45 Adelaide Street Fremantle WA 6160
Stock exchange listing	Site Group International Limited shares are listed on the Australian Securities Exchange (code: SIT)
Web site address	www.site.edu.au

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SITE GROUP INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 73 003 201 910

Financial Report for the Year Ended

30 June 2018

Directors' Report

Your Directors submit herewith the financial report of Site Group International Limited (the Company) and its controlled entities (the Group) for the year ended 30 June 2018.

Directors

The directors in office at any time during or since the end of the financial year, together with their qualifications and experience are:

Vernon Wills – Managing Director and CEO

Vern established Site to provide skills training and workforce planning solutions by initially developing a 300,000m^2 Philippines facility at the Expo Filipino site at Clark Freeport, after he identified a market gap in Australian training providers delivering international training for industry and major projects.

Prior to Site, Vern has had an extensive career in investment and finance as well as building start up and early stage companies such as Go Talk Ltd and Dark Blue Sea Ltd. Additionally he serves as a Director of Eumundi Group Ltd (since September 2004) and was previously a director of the Greg Norman Golf Foundation, CITEC, and Deputy Chair of the Queensland Government's Major Sports Facilities.

Nicasio Alcantara BA, MBA – Non-Executive Director

Mr Alcantara was appointed Director of the company on 12 October 2010 and has been a director of Site Group Holdings Pty Ltd since June 2009. Mr Alcantara is an experienced director with over 40 years' experience in both public and private companies and his diverse industry experience includes manufacturing, banking & finance, property, information technology, agriculture and power & energy.

Mr Alcantara is currently a director of Alsons Corporation, Alsons Development & Investment Corporation, C. Alcantara & Sons Inc., Lima Land Inc., Sarangani Agricultural Co. Inc, Seafront Resources Corporation (appointed 1995), the Philodrill Corporation (appointed 1991), Indophil Resources NL (appointed 29 December 2011) and BDO Private Bank Inc.

Mr Alcantara has also previously been Chairman and President of Alsons Consolidated Resources Inc., Iligan Cement Corporation, Alsons Cement Corporation, Northern Mindanao Power Corporation and Refractories Corporation of the Philippines. He was also previously Chairman and Chief Executive Officer of Petron Corporation and a director of Bank One Savings and Bancasia Capital Corporation.

Peter Jones ACA – Chairman and Non-Executive Director - Appointed director 29 May 2017 and appointed Chairman 30 June 2018

Mr. Jones is a Chartered Accountant and was formerly a founding director of Investor Group Limited (now Crowe Horwath), a listed financial services company.

Mr Jones has a strong track record as a successful investor in public and private companies. He is currently also a director of ASX listed Biotech Capital Limited (appointed 4 August 2015).

Darryl Somerville BCom, FCA – Chairman and Non-Executive Director - Resigned 30 June 2018

Mr Somerville was appointed Director of the company on 2 August 2011. He is a Chartered Accountant and CPA and is a member of the Australian Institute of Company Directors.

Mr Somerville spent 23 years with PwC in Brisbane, including more than 19 years as a partner. For 8 years he was the Brisbane Office Managing Partner. His clients ranged from privately owned companies through to multinationals in the manufacturing, mining, energy and resources and retailing industries. He was a member of the firm's National Board of Partners. Mr Somerville served a three-year term as National Director of the Institute of Chartered Accountants from 2000 to 2003.

Listed public company positions held include Chairman of the Brisbane Broncos Ltd (24 February 2005 – 22 February 2011), Chairman of Brisbane based developer Devine Ltd (28 September 2005 – 31 October 2008) and Director of CMI Ltd (28 February 2012 – 29 June 2012). He has also chaired a number of Queensland State Government Panels. He was Chairman of the Report on the State's Electricity Networks (The Electricity Distribution and Service Delivery Report) and Chairman of the Queensland Government's Energy Competition Committee (which oversaw the introduction of Full Retail Contestability for energy in the State). He also served as Chairman of the Premier of Queensland's Awards for Export Achievement for 8 years.

Joseph Ganim LLB - Non-Executive Director - Resigned 30 June 2018

Mr Ganim was admitted as a solicitor of the Supreme Court of Queensland in 1970 and the High Court of Australia.

A founding and former managing partner of Hopgood Ganim, a leading specialist Commercial Law firm established in 1974 with over 300 personnel in offices in Brisbane and Perth and a representative office in Shanghai. Mr Ganim retired in 2009 to pursue corporate interests but has continued involvement with the firm as an active senior consultant.

With 45 years' experience conducting complex corporate and commercial litigious matters, Mr Ganim has been the lead negotiator and team leader in large corporate mergers and acted in the Supreme Court of Queensland, the Federal Court of Australia and appeals to the High Court of Australia, as well as appearing before various Tribunals and Inquiries. He is also a Supreme Court Approved Mediator. He also served for a number of years as a member of the Litigation Reform Commission Court Administration and Resource Division, which reviewed all facets of court practice and litigation.

Mr Ganim is currently Chairman of Eumundi Group Limited (appointed 4 August 1989). He sits on the Boards of 7 active private companies and advises, both as a corporate lawyer and executor, with respect to large and complex estates involving corporate structures.

Company Secretary

Craig Dawson BCom, ACA

Mr Dawson is the Chief Financial Officer of the Group. He brings extensive financial management experience gained in ASX listed entities with both local and international operations in a variety of industries including media, financial services, gaming and wagering and most recently in the rapidly growing online sector.

Most notably, Mr Dawson was CFO of Wotif.com for over 4 years as the group experienced rapid earnings growth, greatly extended its geographical reach and expanded its brands and products through both organic and acquisition growth. Prior to that, Mr Dawson was Queensland General Manager – Corporate Services at Tatts Group Limited heading up the finance and administration divisions of Tatts Queensland operations.

Mr Dawson holds a Bachelor of Commerce and is a Chartered Accountant.

Directors' Report continued

Committee membership

As at the date of this report, the company had an Audit and Risk committee and a Nomination and Remuneration committee of the board of directors. Members acting on the committees of the board during the year and up to the date of this report were:

Audit and Risk Committee (AC)

- Peter Jones (c)
- Nicasio Alcantara
- Darryl Somerville – resigned 30 June 2018
- Joseph Ganim – resigned 30 June 2018

Mr Jones and Mr Somerville are Chartered Accountants and Mr Alcantara and Mr Ganim have extensive corporate experience and are qualified to serve on this Committee.

Nomination and Remuneration Committee (NRC)

- Peter Jones (c)
- Nicasio Alcantara
- Joseph Ganim – resigned 30 June 2018
- Darryl Somerville – resigned 30 June 2018

(c) Designates the chairman of the committee.

Meetings of Committees

	Board No.	Attended No.	AC No.	Attended No.	NRC No.	Attended No.
Vernon Wills	7	7	2	2*	1	1**
Darryl Somerville	7	7	2	2	1	1
Nicasio Alcantara	7	7	-	-	-	-
Joseph Ganim	7	7	2	2	1	1
Peter Jones	7	7	2	2	1	1

* ex officio attendance

** The CEO attended part of the Nomination and Remuneration Committee meeting before excluding himself from the meeting.

All directors were eligible to attend all meetings held.

Principal activity

The principal activity of the company during the period was the provision of training and education services in Australia and internationally. The company is delivering workforce solutions across a variety of industries to both retail and corporate clients. There has been no significant change in the principal activities of the consolidated entity during the period.

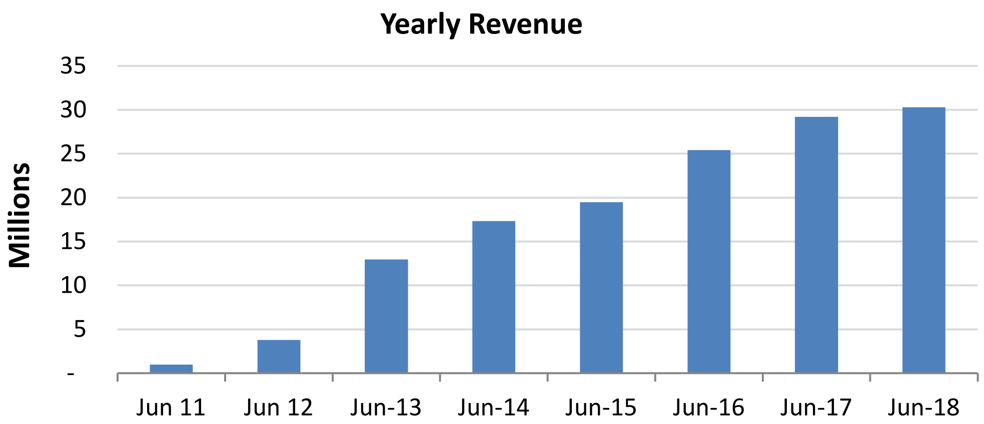
The company has adopted expansion plans for its business via both organic growth and through prudent acquisition activity with a view to diversifying funding sources and diversifying course and program offerings.

Directors' Report continued

Operating and financial review

Group

Site business growth in revenue is demonstrated in the below graph.

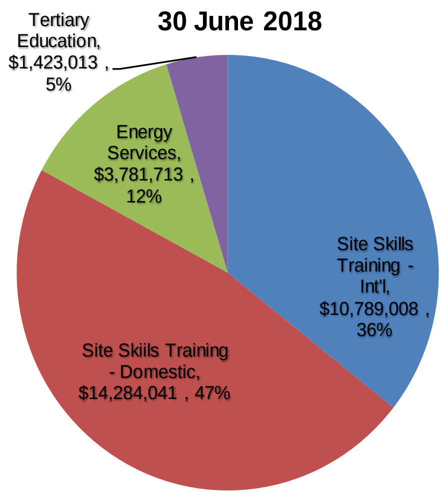


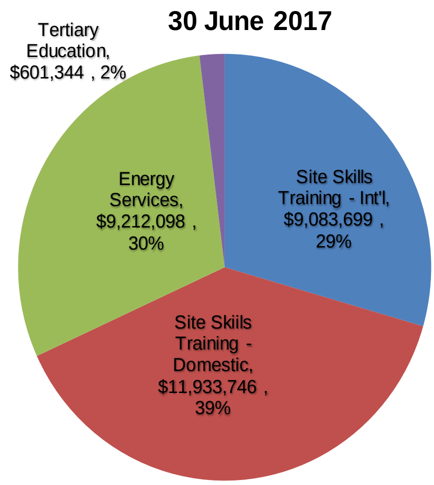
The company is also looking at expansion and optimisation opportunities across its existing international assets and as such has announced that Mr Nicasio Alcantara will become Chairman of the international subsidiaries including Site Group International Pte Limited and Site Group Holdings (the lease holder of the 300,000 square metre facility in Clark, Philippines) in the group.

In line with this appointment, interests associated with Mr Alcantara have provided a financing facility of $US4m to enable the continuation of the international growth strategy and provide working capital. Repayment of funds drawn under the facility will be via cash or equity to be issued at the last issue price of 4 cents per share subject to approval of shareholders.

Projected increases in revenues are expected internationally from the Philippines, the Kingdom of Saudi Arabia, Papua New Guinea and Myanmar as well as new project opportunities in the Middle East, Africa and South America which are expected to positively impact on 2019.

Revenue contribution and activity by each segment is illustrated in the two charts below. This highlights the lower revenue from the energy services division in amongst the growing contribution from the other segments of the continuing operation.





Gross Revenue by Segment June 2018 versus June 2017 (excludes eliminations)

Directors' Report continued

Operating and financial review continued

On 18 April 2018, the Australian Skills Quality Authority (ASQA) provided Site Skills Training (SST) with a renewal of registration rejection decision following an audit. Following receipt of the decision, an objection at the Administrative Appeals Tribunal (AAT) was lodged and an unconditional stay of the decision was granted in May allowing SST to continue to enrol, train and graduate new and existing students.

Site continues to expend significant operational resources ensuring that SST remains compliant to achieve the favourable outcome in the AAT and focus on ensuring the best interests of clients and students. SST continues to be impacted with customers postponing training until the appeal process is finalised. The impact of a slowing domestic business in addition to the loss of a significant contract led to a non cash impairment of intangibles being recorded of $3,797,413 for the year.

During the year, Site received a "Notice of Decision in Relation to Payments to a Provider" from the Department of Education and Training ("DET") in relation to the reconciliation payment due to subsidiary, Productivity Partners Pty Ltd ("PP"). As a result, a payment of $4,869,113 was made to PP by DET. This payment specifically related to certain students only, as determined by DET. DET has further indicated that the remainder of the amount claimed by PP of $28,969,145 was not approved.

The DET correspondence has been received after a Deloitte audit and query process that has taken in excess of 20 months to complete, with PP providing full cooperation throughout the process. PP invested significantly in the delivery of VET FEE-HELP programs and Directors and Management maintain the position that the remaining $28,969,145 for the reconciliation payment for the same period remains due and payable under the relevant legislation then extant.

For the year ended 30 June 2018, Site Group International Limited reported a loss after tax from continuing operations of $9,547,913 compared to $12,558,494 in the previous corresponding period.

For comparability with the trading result in the prior period, the below table shows the result for the Group including the discontinued operations over the last 4 years.

	30-Jun 2018	2017	Change 18-17 %	30-Jun 2016	Change 17-16 %	30-Jun 2015	Change 16-15 %
Revenue and other income	30,306,134	29,213,400	3.7%	25,406,177	15.0%	40,712,776	(37.6%)
Net profit / (loss)	(6,042,212)	(50,466,491)	-	9,404,816	(636.6%)	1,946,454	(383.2%)
add back							
Depreciation and amortisation	2,033,252	2,355,412	(13.7%)	2,855,346	(17.5%)	1,916,523	49.0%
Interest paid	55,744	307,304	(81.9%)	263,047	16.8%	55,536	373.7%
Income tax (benefit) / expense	247,641	(1,025,209)	(124.2%)	782,430	(231.0%)	113,248	590.9%
deduct							
Interest income	16,197	16,930	(4.3%)	23,227	(27.1%)	31,530	(26.3%)
EBITDA*	(3,721,772)	(48,845,914)	-	13,282,412	(467.7%)	4,000,231	-
Non recurring items**							
Impairment of intangibles	3,797,413	23,570,460		3,177,175		-	
Write down / (reversal of write down) of DET debtor	(4,990,113)	33,944,396		-		-	
Write back of contingent consideration	-	-		(3,375,136)		(1,713,324)	
EBITDA before non recurring items	(4,914,472)	8,668,942	-	13,084,451	(33.7%)	2,286,907	472.1%
Operating cash inflow /(outflow)	(727,824)	(93,722)	-	(4,835,274)	-	2,474,505	-

** Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-IFRS measure which is readily calculated and has broad acceptance and is used by regular users of published financial statements as a proxy for overall operating performance. EBITDA is not an audited number.*
***This a non-IFRS measure and is not an audited number.*

Table 1 Financial Summary

Operating and financial review continued

The earnings before interest, taxes, depreciation and amortisation (EBITDA) was a loss of $3,721,772 compared to the $48,845,914 in the prior corresponding period. Excluding non-recurring items means the group's trading result was an EBITDA loss of $4,914,472 compared to the previous period's EBITDA of $8,668,942.

Site Skills Training - Domestic

Site Skills Training (SST) is an Australian Registered Training Organisation with six large training facilities across Australia, in Western Australia, Northern Territory and Queensland. These Australian facilities with a combined footprint of approximately 33,500sqm have become hubs for some of Australia's largest projects in Mining, Construction and Oil and Gas including; Curtis Island Coal Seam Gas (CSG) to Liquefied Natural Gas (LNG) projects; Western Australia Northwest Shelf LNG projects; and Darwin Onshore and Offshore LNG projects; and effectively most major mine project sites across Western Australia, Northern Territory and Queensland.

The segment achieved a 20% increase in revenue to $14,284,041 in the 12 months to June 2018, compared with $11,933,746 in 2017, which was a solid performance in the face of subdued conditions and customer reaction to the ongoing regulatory actions. EBITDA was a loss of $189,964 compared to an EBITDA loss of $605,107 in the previous year reflecting the ongoing compliance and legal costs incurred within this division.

In five years of operation, SST has delivered over 100,000 accredited programs to people who are either currently employed, seeking employment or seeking upskilling opportunities predominately in key sectors including mining, construction, logistics and energy.

Through this period training has resulted in an over 80% completion rate, with approximately 88% of students identifying as being in employment, and a further 11% seeking employment. This training has been delivered on behalf of over 4,000 companies and their divisions.

In addition to its corporate customers, SST delivers training to individuals using Western Australia, Queensland and Northern Territory subsidised training regimes. In Queensland, Vocational Education and Training (VET) in Schools students has expanded and will provide further growth in the next financial year.

On 18 April 2018, the Australian Skills Quality Authority (ASQA) provided SST with a renewal of registration rejection decision following an audit.

The ASQA audit consisted of a review of 8 training products and ~40 students out of over 200 training products on scope and an annual training delivery to over 25,000 students. The final Audit Report issued by ASQA in support of the decision was dated 28 June 2017 and only provided to SST in April 2018. In that time period, SST delivered over 30,000 units of competency to over 15,000 individual Australians, with a greater than 90% completion rate and more than 80% of those Australian students in employment.

Following receipt of the decision, an objection at the Administrative Appeals Tribunal (AAT) was lodged and an unconditional stay of the decision was granted in May allowing SST to continue to enrol, train and graduate new and existing students.

SST continues to expend significant operational resources ensuring that the company remains compliant to achieve a favourable outcome in the AAT and focus on ensuring the best interests of clients and students. The business continues to be impacted with customers postponing training until the appeal process is finalised.

Directors' Report continued

Operating and financial review continued

Site Skills Training – International

Site Skills Training – International division provides training and competency assurance services to organisations and governments in countries where local workforces require additional skills to meet global standards. The segment, based at Site's major training facility in Clark Freeport Zone near Manila in the Philippines, delivered a 19% increase in revenue to $10,789,008 in the 12 months to June 2018, compared with $9,083,669 in the prior year. EBITDA was $698,936 compared with an EBITDA of $535,485 in the prior year.

To date SST has provided education and training services to countries including the Philippines, PNG, Myanmar, Saudi Arabia, United Kingdom, China, Singapore, Malaysia and has delivered services to governments and companies in locations including Timor-Leste, UAE, Azerbaijan, Africa and others. Site is currently negotiating to take its training services further abroad with expansion planned in the Middle East, Africa and South America.

SST's flagship international facility in Clark Freeport Zone, Philippines, is a 300,000sqm operation with over 1,000 beds and acts as an Australian export training hub servicing industry and government clients throughout the Asia-Pacific region. The facility hosts Oceana Gold`s underground mine, G.E.`s gas turbine and rotational motors and the build out of Site`s Safe Live Process Plant (SLPP). The sales funnel for on-campus delivery for Clark continues to support the growth expectations of the company.

The company recently held the graduation of the first 170 trainees at National Construction Training Center, Nairiyah, Kingdom of Saudi Arabia. The college operates in conjunction with AlAjmi Company of Saudi Arabia and Canadian Petroleum. The trainees span five trades and now enter careers as electricians, welders, pipefitters, safety officers and instrumentation technicians. These are the first 170 graduates with Site contracted to graduate 1800 students over the next 2.5 years with the college now at capacity of 600 students.

Further long term contracts have commenced with Amec Foster Wheeler requiring Site to provide services including Procedures Qualified Record (PQR) and Welders Qualification Testing (WQT) at the Clark facility. In addition, Site has been contracted to provide training and assessment services of the manpower to be deployed to Brunei on this project.

Energy Services

The Energy services segment incorporating the Wild Geese international business in Perth and the internationally based Site Group International Energy division ("SGI") provides specialist training services to the oil and gas industry including workforce design and identification, skills training and competency assessment and assurance.

Revenue for the 12 months for the business dropped to $3,781,713 (2017: $9,212,098) with an EBITDA loss of $803,283 (2017: EBITDA of $1,115,571).

The Energy services segment result was significant impacted by the delay in key international projects now expected to commence in FY19 and the reduced number of consulting hours completed domestically by Oil and Gas Specialist Wild Geese International.

Wild Geese International's involvement with the Queensland Natural Gas Exploration and Production Industry forum for the delivery of Queensland wide Industry Safety Inductions has provided services to growing numbers of contractor and operator companies in Queensland.

The Site Group International Energy division's Singapore and Malaysian operation continue to develop their relationship with the Singapore Government Agency SkillsFuture Singapore through the continual development of the National Skills Framework.

In addition a new contract has been awarded with FieldCore, a GE Company, for the development of their Global Competence Framework, comprising job competence profiles, job task profiles, performance and assessment criteria, covering their global technical workforce including the Africa, Asia/ Australia, Europe, North and South America continents. FieldCore is the field technical services company for GE Power globally. The project covers a target workforce of over 10,000 technical personnel including technicians, supervisors and management levels working in Power Services, Aero, Oil and Gas, Renewables sectors.

During the year construction commenced on the latest Safe Live Process Plant to be built and remain at Clark opening up significant opportunities for training and competency assessment initialling targeting University Engineering students from around the world to achieve adequate and meaningful professional experience stipulated by Work Integrated Learning requirements of accredited engineering programs.

Tertiary Education

This segment provides tertiary education for students seeking to develop careers in a range of different disciplines. Students can choose from a range of diploma and certificate level courses at Site's campuses in Australia.

This division reported an increase in revenue of 137% to $1,423,013 in 2018, up from $601,322 in 2017. EBITDA improved to a loss of $243,958 compared to an EBITDA loss of $1,048,455 in 2017, as the scale of the business improves on the back of increased student number and enrolments

International student numbers continue to grow with over 200 current enrolments in CRICOS registered courses. Future revenues from existing students is circa $2.3m. Revenues are expected to continue to grow during the financial year as international students take the opportunity to study engineering and manufacturing technology courses with Site Institute. Export market networks have been established for receiving inbound students from countries across Asia, Americas and Europe, with the CRICOS division now training students from countries including Argentina, Brazil, Chile, Colombia, Mexico, Peru and South Korea.

The investment in a range of TESOL courses and conferences, and a number of strategic alliances are expected to further grow revenues with China a key market.

Cash Position

At 30 June 2018, the company had cash at bank of $1,533,437. Given the expected operating results in the FY19 financial year the company has sufficient funding to meet its medium term funding requirements.

Risks

Risk management is overseen by the Audit and Risk Committee for the Group via the maintenance and review of a risk register.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
Regulatory risk	The Group operates in a highly regulated market and the Group is regulated by the Australian Federal and State Governments and the Philippine Government. Failure to meet regulatory requirements may impact materially on the business.

Risk	Details
Financing	The ability to implement its business strategy may be dependent upon the Group's capacity to raise additional capital. There is a risk that the Group may not be able to secure such funding on satisfactory terms or at all.
Sovereign risk	The Group has significant operations in the Philippines. Those operations are potentially subject to a degree of political risk and civil disobedience, although the location of Clark Education City within the Clark Freeport Zone helps mitigate such risks.
Cultural unrest	Any cultural unrest or perceived cultural unrest in the location of the campuses may result in decreased client interest.
Competition	The market for education services in Australia and worldwide is highly competitive and the group is likely to encounter strong competition from other entities as well as other countries for training and education.
Industry downturn	The industries to which the Group provides services may be affected by factors outside the Group's control.
Limited operating history	Site's business model is relatively new and Site is yet to generate recurring profits from its group activities. The Group will be subject to all of the business risks and uncertainties associated with any developing business enterprise.
Material contracts	The Group has entered into various contracts which are important to the future of the Group. Any failure by counterparties to perform their job, or obligations could have an adverse effect on the Group.
CDC lease	The Group has entered a long term lease with Clark Development Corporation (**CDC**). There are a number of circumstances in which the CDC lease may be terminated (subject to compliance with provisions enabling certain breaches to be remedied) by CDC in which case Site does not have any rights to compensation or reimbursement for funds expended on the leased land, improvements and moveables on the leased property pass to CDC on termination. Such termination may occur where Site has breached a provision of the CDC lease or where there is an insolvency event. The CDC lease may also be terminated in the event of any governmental expropriation of the leased property. In the event that the CDC lease was terminated, Site would no longer be in a position to operate its Philippines facility which would have significant impact on the Group and the Group's ongoing operations.
Currency	Some of Site's revenue streams and expenses are denominated in currencies other than the Australian Dollar. It is possible that foreign exchange rates could move in a manner which would be unfavourable to the Company.
Large holdings by some shareholders	The two most significant existing shareholders (and their associates) have combined holdings of approximately 30% of the shares which may impact on liquidity in the public market for the sale of shares which may adversely affect the market price.
Key employees	A small number of key employees are responsible for the day to day and strategic management of the Group. The Company has sought to mitigate the risk associated with this structure through entering service and employment agreements.
Natural catastrophe	The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, drought, volcanic eruption and earthquakes. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Group's operations.

Risk	Details
Foreign judgements	Whilst there are procedures for recognising foreign laws and judgements in the Philippines, the Philippine courts may reject the applicability of foreign law or judgment when the foreign law, judgment or contract is contrary to a sound and established public policy of the forum. Additionally, Philippine prohibitive laws concerning persons, their acts or property, and those which have for their object public order, public policy and good customs shall not be rendered ineffective by laws or judgments promulgated, or by determinations or conventions agreed upon in a foreign country. Accordingly, the enforcement of rights of the Group within the Philippines with respect to foreign judgments and laws may be adversely affected by observance of Philippine procedural laws.
Material arrangements	The Group has and expects to continue to enter into arrangements which are important to the future of the Group. It may be the case that these arrangements are non-binding and therefore unenforceable. The Group is also reliant upon third parties maintaining appropriate qualifications and accreditations and to the extent that these are not maintained, there may be an adverse impact on the Group.
Geographic concentration	The Group's expansion plans include the Philippines, Western Australia, Northern Territory and Queensland as well as potentially other national and international jurisdictions. If there are circumstances which impact negatively on these jurisdictions, this may adversely affect the Group's continuing operations.

2019 Outlook

As the company looks at its strategic direction, it is clear the Board believe the substantial future and growth for Site is in its international segments.

The recently announced contract wins demonstrate the growth opportunities for Site in its international segments. These are expected to continue into FY19, as the group focuses on the expansion and optimisation opportunities across it international business and assets.

Directors' shareholdings as of 30 June 2018

Director	Shares
Vernon Wills	124,395,630
Peter Jones	56,819,466
Nicasio Alcantara	9,371,325

Significant changes in state of affairs

During the year the group was involved in the following significant transactions:

Capital Management

- During the year the company conducted a share purchase plan and in September through to December 2017 issued 62,500,000 shares at 4 cents to existing and new shareholders through the allocation of the shortfall.
- In December 2017 and in January 2018, the company completed a buy back of shares issued under the employee share plan and milestone incentives with 12,552,142 shares bought back.

Discontinued Operation

- Productivity Partners received a reconciliation payment of $4,869,113 from DET in December 2017 and continues to pursue collection of the outstanding balance of $28,969,145.

Directors' Report continued

After balance date events

Other than as disclosed in this report, there has been no significant events post balance date.

Dividends paid

There have been no dividends paid.

Environmental issues

The Group's operations are not regulated by any significant environment regulation under a law of the Commonwealth or of a State or Territory.

Share options

As at the date of this report there were no unissued shares under options.

In November 2011 the Shareholders approved the establishment of an Employee Share Plan that would enable employees, directors and eligible associates to subscribe for shares in the Company. Under the terms of the plan an eligible person is offered shares in the Company at a price determined by the board ($0.20 per share) with a corresponding interest free loan to assist the person to subscribe for the shares. The shares are escrowed in two tranches with 50% being escrowed for a minimum of 12 months and 50% being escrowed for a minimum of 24 months. Subsequent to these minimum restriction periods, the shares are available for release from escrow on the repayment of the loan, and subject to continuation of employment (or acting as an associate or director) at the time of repayment.

As at 16 August 2018, there are 10,265,109 ordinary shares subject to escrow restrictions.

Indemnification and insurance of Directors and Officers

During the financial year, the Company paid premiums for directors' and officers' liability insurance in respect of Directors and officers, including executive officers of the Company and Directors, executive officers and secretaries of its controlled entities as permitted by the *Corporations Act 2001*. The terms of the policy prohibit disclosure of details of the insurance cover and premiums.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Pitcher Partners, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Pitcher Partners during or since the financial year.

Non-audit services

Non-audit services were provided by the previous entity's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standards of independence for the auditor imposed by the *Corporations Act 2001*. Refer to note 6 Auditor's Remuneration in the financial reports for details and amounts for the provision of non-audit services.

Vernon Wills
Director
31 August 2018

Directors’ Report continued

Remuneration Report (audited)

This remuneration report for the year ended 30 June 2018 outlines the remuneration arrangements of the Site Group International Limited (the Company) and its controlled entities (the Group) in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term “executive” includes the Chief Executive Officer (CEO), executive directors and other senior executives of the Group.

Nomination and Remuneration Committee
The directors established a Nomination and Remuneration Committee in 2012 and have agreed a charter and process. The committee convened once during the 2018 financial year with final discussions about remuneration or appointments being approved by the full board. The Nomination and Remuneration committee comprises two independent Non-Executive Directors (NEDs).

The Nomination and Remuneration Committee has delegated decision making authority for some matters related to the remuneration arrangements for NEDs and executives, and is required to make recommendations to the board on other matters.

Specifically, the board approves the remuneration arrangements of the CEO and other executives. The board also sets the aggregate remuneration of NEDs, which is then subject to shareholder approval, and NED fee levels.

The board did not seek advice from external remuneration consultants during the year.

The remuneration of the Executive Directors and Non-Executive Directors is set by the Chairman of Directors and ratified by the Board of Directors.

Directors

The following persons were directors of the Company during the financial year:

- Darryl Somerville – Chairman and Non-Executive Director (Resigned 30 June 2018)
- Vernon Wills – Managing Director and Chief Executive Officer
- Nicasio Alcantara – Non-Executive Director
- Joseph Ganim – Non-Executive Director (Resigned 30 June 2018)
- Peter Jones – Non-Executive Director (Chairman from 30 June 2018)

Executives (other than directors) with the greatest authority for strategic direction and management

The following persons were the executives with the greatest authority for the strategic direction and management of the Group (“specified executives”) during the financial year;

- Craig Dawson – Chief Financial Officer
- Blake Wills – Chief Operating Officer (Resigned 30 November 2017)

These executives were also considered the Key Management Personnel of the Group.

Remuneration Report (audited) continued

Remuneration of directors and executives

Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered.

Relationship between remuneration and financial performance

The Group is still in the build phase and has incurred additional costs during the build out. Therefore, there is no direct relationship between the Group's financial performance and either the remuneration of directors and executives or the issue of shares and options to the directors and executives. Remuneration is set at levels to reflect market conditions and encourage the continued services of directors and executives.

Executive and non-executive directors

Fees and payments to executives and non-executive directors reflect the demands which are made on, and the responsibilities of the directors. Executive and non-executive directors' fees and payments are reviewed annually by the Board.

Directors' fees

There were Directors' fees paid during the year to the NEDs with the executive director receiving a fixed salary of a full-time employee.

Executive pay

The executive pay and reward framework has the following components:

- Base pay benefits
- Other remuneration such as fringe benefits and superannuation
- STI payable based on predetermined KPI's
- Eligibility to participate in the Employee Share Plan

The combination of these comprises the executive's total remuneration.

Base Pay

Base pay is structured as a total employment cost package which is delivered in cash. Executives are offered a competitive base pay that comprises the fixed component of pay. Base pay for senior executives is reviewed annually. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases fixed in any senior executives' contracts.

Retirement benefits

Retirement benefits are delivered under a range of different superannuation funds. These funds provide accumulated benefits. Where applicable, statutory amounts are contributed to super funds for all Australian based Directors and Executives.

Executive contractual arrangements

As Non-Executive Directors are not employees of the company, there are no contractual agreements.

Vernon Wills is employed as the Chief Executive Officer through a services contract with Wayburn Holdings Pty Limited on consistent terms with other executives. No sign on shares were granted.

Escrowed shares are issued at the discretion of the Remuneration Committee from time to time.

Directors' Report continued

Remuneration Report (audited) continued

Remuneration arrangements for other executives are formalised in employment agreements. Details of these contracts are provided below. All other executives have contracts with unspecified ending dates. The contracts are continuing unless terminated by either party. Standard Key Management Personnel termination provisions are as follows:

	Notice period	**Payment in lieu of notice**
Employer-initiated termination	3 months	3 months
Termination for serious misconduct	None	None
Employee-initiated termination	3 months	3 months

Details of remuneration

Details of the remuneration of each director of the Company and each of the two specified executives of the Group, including their personally-related entities, are set out in the following tables.

Directors

The board seeks to set NED fees at a level which provides the Group with an ability to attract and retain NEDs with the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Group's constitution and ASX listing rules specifies the NED maximum aggregate fee pool shall be determined from time to time at a general meeting. The latest determination was at the 2010 AGM held on 22 November 2010 when shareholders approved an aggregate fee pool of $350,000 per year.

NED fees consist of base fees and committee fees recognising the additional time commitment required by NEDs who serve on Board committees. The NEDs may be reimbursed for expenses reasonably incurred for attending to the Group's affairs. NEDs do not receive retirement benefits beyond applicable superannuation contributions.

2018	**Short Term Benefits**			**Post-employment**	**Long Term Benefits**	**Share-based Payments**			
Name	Cash Salary $	Directors Fees $	Non- monetary benefits $	Super-annuation $	Long Service Leave $	Options $	Shares $	Shares to be issued $	Total $
Vernon Wills	400,000	-	40,270	-	-	-	-	-	440,270
Nicasio Alcantara	-	77,914	-	-	-	-	-	-	77,914
Darryl Somerville[1]	-	60,000	-	5,700	-	-	-	-	65,700
Joseph Ganim[2]	-	60,000	-	5,700	-	-	-	-	65,700
Peter Jones	-	65,700	-	-	-	-	-	-	65,700
Total	400,000	263,614	40,270	11,400	-	-	-	-	715,284

[1]Resigned June 2018

[2]Resigned June 2018

2017	**Short Term Benefits**			**Post-employment**	**Long Term Benefits**	**Share-based Payments**			
Name	Cash Salary $	Directors Fees $	Non- monetary benefits $	Super-annuation $	Long Service Leave $	Options $	Shares $	Shares to be issued $	Total $
Vernon Wills	400,000	-	43,886	-	-	-	-	-	443,886
Nicasio Alcantara	-	79,609	-	-	-	-	-	-	79,609
Darryl Somerville	-	7,569	-	219	-	-	-	52,212	60,000
Joseph Ganim	-	15,923	-	1,096	-	-	-	42,981	60,000
Peter Jones*	-	-	-	-	-	-	-	-	-
Total	400,000	103,101	43,886	1,315	-	-	-	95,193	643,495

* Appointed May 2017.

Directors' Report continued

Remuneration Report (audited) continued

Specified Executives of the Consolidated Entity

2018	Short Term Benefits		Post-employment	Long Term Benefits	Termination Benefits	Share-based Payments		
Name	Cash Salary	Non- monetary	Super-annuation	Long Service Leave		Options	Shares	Total
	$	$	$	$	$	$	$	$
Blake Wills[1]	63,942	2,846	6,074	1,006	33,654	-	-	107,522
Craig Dawson	297,973	7,891	26,027	5,247	-	-	-	337,138
Total	361,915	10,737	32,101	6,253	33,654	-	-	444,660

[1]Resigned November 2017

2017	Short Term Benefits		Post-employment	Long Term Benefits	Termination Benefits	Share-based Payments		
Name	Cash Salary	Non- monetary	Super-annuation	Long Service Leave		Options	Shares	Total
	$	$	$	$	$	$	$	$
Blake Wills	175,205	5,856	16,625	-	-	-	-	197,686
Craig Dawson	273,973	5,856	26,027	-	-	-	-	305,856
Total	449,178	11,712	42,652	-	-	-	-	503,542

Short Term Incentive (STI)

Under the STI plan, executives have the opportunity to earn an annual incentive award which is delivered in cash or shares at the discretion of the Remuneration Committee. The STI recognises and rewards short term performance. The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures.

Group EBITDA and business unit EBITDA are the measures against which management and the remuneration committee assess the short term financial performance of the Group. Each of V. Wills, B. Wills and C. Dawson had a maximum STI opportunity of 30% of their fixed remuneration. For FY18 0% was earned and 100% forfeited because the service criteria was not met.

Director and Key Management Personnel Options and Rights Holdings

There were no options over ordinary shares held during the financial year by each KMP of the Group.

Director and Key Management Personnel participation in the Employee Share Plan

In November 2011 the Shareholders approved the establishment of an Employee Share Plan that would enable employees, directors and eligible associates to subscribe for shares in the Company. Under the terms of the plan an eligible person is offered shares in the Company at a price determined by the board ($0.20 per share for all shares issued to date under the plan) with a corresponding interest free loan to assist the person to subscribe for the shares. The shares are escrowed in two tranches with 50% being escrowed for a minimum of 12 months and 50% being escrowed for a minimum of 24 months. Subsequent to these minimum restriction periods, the shares are available for release from escrow (i.e. vested and exercisable option) on the repayment of the loan, and subject to continuation of employment (including acting as an associate or director) at the time of repayment.

For accounting purposes these shares are treated as if these were share options, as whilst the shares have been issued to the employee their rights to access the shares are subject to both a time based requirement (continued employment to escrow dates) and valuation uncertainty (share price exceeds issue price at date of escrow release). Accordingly, shares issued under the plan are valued using a Black Scholes Option Valuation model with the expense being recognised over the escrow period as a share based payment.

Remuneration Report (audited) continued

The number of ordinary shares held by each KMP of the group under the plan is as follows:

Name	Balance 1 July 2017	Granted as remuneration	Shares sold	Forfeited	Balance 30 June 2018	Tradable	Escrowed	Vested and Exercisable
Vern Wills	2,000,000	-	-	-	2,000,000	-	2,000,000	2,000,000
Nicasio Alcantara	1,000,000	-	-	-	1,000,000	-	1,000,000	1,000,000
Darryl Somerville	1,000,000	-	-	-	1,000,000	-	1,000,000	-*
Blake Wills	500,000	-	-	(500,000)	-	-	-	-
Craig Dawson	1,000,000	-	-	-	1,000,000	-	1,000,000	1,000,000
Total	5,500,000	-	-	(500,000)	5,000,000	-	5,000,000	4,000,000

*shares forfeited upon resignation of director at 30 June 2018

The minimum escrow periods for all shares held by KMP in the table above expired prior to the start of the comparative period, and the shares therefore represented vested and exercisable options at both 30 June 2018 and 30 June 2017. No expenditure was recognised under the Employee Share Plan for KMP in either the current or comparative period, and there were no grants of shares under the Employee Share Plan during the current or comparative periods.

Director and Key Management Personnel Share Holdings

The number of ordinary shares held by each KMP, other than shares under the Employee Share plan, is as follows:

Name	Balance 1 July 2017	Granted as remuneration	Shares sold	Capital Raising#	Settlement of Financial Liabilities^	Balance 30 June 2018
Vern Wills	101,020,630	-	-	2,625,000	18,750,000	122,395,630
Nicasio Alcantara	-	-	-	-	8,371,325	8,371,325
Darryl Somerville	4,392,188	-	-	375,000	1,722,988	6,490,176*
Joseph Ganim	8,796,957	-	-	375,000	1,492,218	10,664,175*
Peter Jones	45,194,466			375,000	11,250,000	56,819,466
Blake Wills	1,238,523	-	-	-	-	1,238,523*
Craig Dawson	1,000,000	-	-	-	-	1,000,000
Total	161,642,764	-	-	3,750,000	41,586,531	206,979,295

* Resigned during the period. Closing balance represents the shareholding as at the date of resignation.

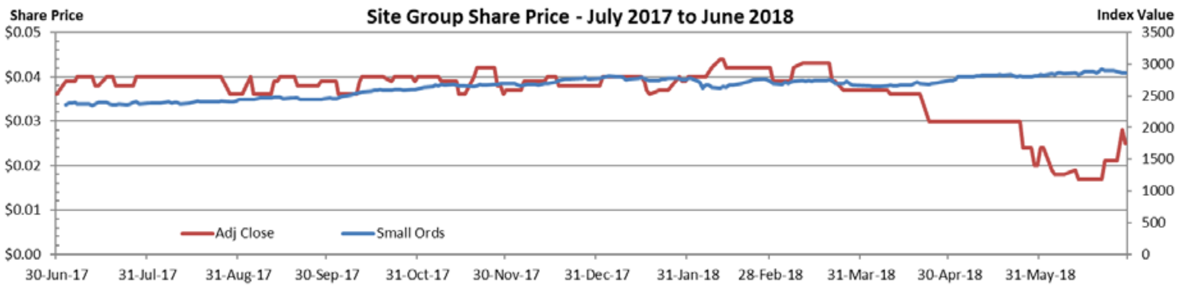
During the year the company conducted a share purchase plan and in September through to December 2017 issued 62,500,000 shares at 4 cents to existing and new shareholders through the allocation of the shortfall. Represents participation by Directors in the capital raising as approved at the EGM of the Company on 15 September 2017.

^ Shares issued at $0.04 per share in settlement of loans payable to Directors, as approved at the EGM of the Company on 15 September 2017.

Executive Remuneration Outcomes for 2018

As noted earlier the company is actively developing its core business in Asia and Australia. Executive Remuneration is targeted at attracting and retaining quality people to lead the Company through this phase and on to profitability. The Company incurred losses since listing until 2015 however there are a number of metrics that may be used to judge the effectiveness of the leadership team during this period.

Share price performance



The graph above illustrates the relative performance of the Company share price over the past 12 months. The blue line is the performance of the small ordinaries index – in comparative terms the Company's share price has been significantly negatively impacted due to the delays in settlement of the Department of Education debtor and the regulatory actions currently in progress.

Revenue growth

The following table details reported revenue (excluding the discontinued operations) of the core business for the past five years:

	2018	2017	2016	2015	2014	2013
Total revenue	30,306,134	29,213,400	25,406,177	19,467,233	17,314,375	12,960,549
Growth %	4%	15%	31%	12%	34%	242%

These results are consistent with the company's strategy of growing revenue in the vocational training and assessment field.

Net profit/ (loss) and earnings/ (loss) per share

The following table details the net profit/ (loss) and earnings/(loss) per share including the discontinued operation for the past six years:

	2018	2017	2016	2015	2014	2013
Total profit / (loss)	(6,042,212)	(50,466,491)	9,404,816	1,946,454	(6,487,117)	(5,821,405)
Change %	88%	(637%)	383%	130%	(11%)	25%
Earnings/(loss) per Share (cents)	(0.92)	(9.50)	1.84	0.40	(1.81)	(1.92)
Share price at year end	$0.025	$0.04	$0.19	$0.35	$0.15	$0.119

The year on year improvement of gain/(loss) per share until 2016 and the earnings per share achieved reflects improved revenue from the expansion of facilities and also incorporates significant integration of acquired businesses. The impact of the impairments reported in 2017 and 2018, closure of the PP business and action currently taken by the regulator has significantly impacted the share price and earnings per share. The leadership team are focused on continuing to grow the core business revenue, controlling costs and growing earnings.

Remuneration Report (audited) continued

Approval of the FY17 Remuneration Report

At the Annual General Meeting of the Company on 23 November 2017, the FY17 remuneration report was adopted by the shareholders with a vote of 99.97% in favour.

Loan from Director related entity – Wayburn Holdings Pty Ltd

During the current and comparative periods, the group made use of an unsecured loan facility with Wayburn Holdings Pty Ltd, a company associated with Managing Director and CEO Mr Vernon Wills.

The loan facility limit was $2.35m to 31 December 2016, and $1.32m from that point repayable on the earlier of collection of the receivable from the Commonwealth Department of Education and Training, or February 2018. To date, the revised terms have not been agreed for the facility and the outstanding balance as disclosed below is repayable at call. Interest is charged on the loan at a fixed rate of 7% per annum.

Movements in the loan balance during the year are as follows:

	2018 $	2017 $
Opening Balance	580,842	2,464,308
Drawdowns	-	-
Interest accrued during the year	25,900	-
Principal repayment through issuance of shares*	(246,000)	(1,776,991)
Principal Repayments	(93,820)	(106,475)
Closing balance	266,922	580,842

*Details of shares issued in settlement of outstanding loan amounts are as follows:

Date	Number of Shares	Share Price	Amount $
24/11/2016	3,667,825	$0.28	1,026,991
30/06/2017	18,750,000	$0.04	750,000
24/09/2017	6,150,000	$0.04	246,000

The issuance of shares on 24 September 2017 includes subscription of shares under the share purchase plan described above by related entities of Vernon Wills and third parties where the subscription price was funded by Wayburn Holdings Pty Ltd.

The share price at which the shares were issued represents the fair value of the shares at the date of issue and reflective of the external raising to other shareholders.

Loans from Non-Executive Directors

During the current and comparative periods, the group made use of unsecured loan facilities with Non-Executive Directors. Interest charged on the loans was at a fixed rate of 10% per annum.

Movements in the loan balances during the year are as follows:

	2018 $	2017 $
Opening Balance	57,539	200,000
Drawdowns	45,000	913,462
Interest accrued during the year	1,229	57,539
Principal repayment through issuance of shares*	-	(1,113,462)
Principal Repayments (cash)	(45,000)	-
Interest repayments (cash)	58,768	-
Closing balance	-	57,539

*Details of shares issued in settlement of outstanding loan amounts are as follows:

Date	Number of Shares	Share Price	Amount ($)
24/11/2016	714,286	$0.28	200,000
30/06/2017	22,836,550	$0.04	913,462

The share price at which the shares were issued represents the fair value of the shares at the date of issue and reflective of the external raising to other shareholders.

At 30 June 2018 the Group had no outstanding balances with Non-Executive Directors.

Other transaction with Directors and Key Management Personnel

On 21 June 2018, the Group announced a financing facility of US$4million with Punta Properties, a company associated with Non-Executive Director Nicasio Alcantara. Repayment of funds drawn under the facility will be via cash or equity to be issued at the last issue price of 4 cents per share subject to approval of shareholders. Interest charged on the loan will be at a fixed rate of 10% per annum. Subsequent to balance date, $US1million was drawn down on the facility in July 2018.

In addition, the Group and Punta Properties agreed to a performance based incentive to develop and execute an optimisation plan for the Group's Philippines assets, associated businesses and international expansion. This incentive is payable on the total project value achieved from the optimisation plan at 5% of the total project value achieved. Should the plan reach a total project value of US$30m a further 5% fee of the gross value is payable to Mr Alcantara. There is no retainer applicable or payable to this agreement. The agreement will be subject to shareholder approval at the next general meeting of shareholders.

Corporate Governance Statement

The Australian Securities Exchange Limited (ASX) listing rules require a listed Company to provide in its annual report a statement of the main corporate governance practices that it had in place during the reporting period. The ASX listing rules also require a listed Company to report any instances where it has failed to follow the recommendations issued by the ASX Corporate Governance Council ("the Principles of Good Corporate Governance and Best Practice Recommendations, 3rd Edition") and the reasons for not following them.

The best practice recommendations of the ASX Corporate Governance Council are differentiated between eight core principles that the council believes underlie good corporate governance. The board's statements to each core area are noted below:

Principle 1: Lay solid foundations for management and oversight

The ASX Corporate Governance Council guidelines recommend that the board recognise and publish the respective roles and responsibilities of the board and management and how their performance is monitored and evaluated. The framework of responsibilities should be designed to:

- *enable the board to provide strategic guidance for the Company and effective oversight of management;*
- *clarify the respective roles and responsibilities of board members and senior executives in order to facilitate board and management accountability;*
- *undertake appropriate background checks on proposed new directors and ensure sufficient material information about a director being re-elected is provided to security holders;*
- *ensure a balance of authority so that no single individual has unfettered powers;*
- *ensure the Company enter in to written agreements with each director and senior executive setting out the terms of their appointment;*
- *ensure the company secretary be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board;*
- *establish a policy concerning diversity, that should include a requirement for the board to:*
    - *establish measurable objectives for gender diversity;*
    - *assess annually the objectives set for achieving gender diversity; and*
    - *assess annually the progress made towards achieving the objectives set; and*
- *evaluate the performance of senior executives, the board, committees and individual directors.*

The board of Site Group International Limited are responsible for:

- establishment of long term goals and strategic plans to achieve those goals;
- the review and adoption of the annual business plan and budgets for the financial performance of the Company and monitoring the results on a monthly basis;
- appointment and removal of the chief executive officer;
- ensuring that the Company has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities; and
- the approval of the annual and half yearly financial statements and reports.

These and other responsibilities are detailed in the approved Board Charter approved in February 2012.

Corporate Governance Statement continued

The board meets on a regular basis to review the performance of the Company against its goals both financial and non-financial. In normal circumstances, prior to the scheduled board meetings, each board member is provided with a formal board package containing appropriate management and financial reports.

Written agreements are entered in to with each director clearly setting out their roles and responsibilities. The responsibilities of the management including the chief executive officer and chief financial officer are contained in letters of appointment and job descriptions given to each executive on appointment and updated from time to time, usually annually.

The board has not established formal evaluation criteria for the review of itself or its committees and has not undertaken a specific performance evaluation. The Site Group International Limited board uses a personal evaluation review to review the performance of Directors. Individual Directors are asked to communicate to the Chairman on a confidential basis to comment on their own performance, and the performance of the board and its committee. Key executives are reviewed periodically against the business objectives and their own contractual obligations, including their personal KPIs.

Appropriate background checks are conducted on proposed new Directors and material information about a director being re-elected is provided to security holders.

The company secretaries work directly with the chair on the functioning of all board and committee procedures.

The board approved and issued a Diversity Policy in January 2012. The nature of the Site Skills Training part of the business providing high risk licencing and trades training results in a high proportion of the trainers being male however the company actively encourages the recruitment of female staff/contractors where available.

No specific measurable objectives have been established at this stage. As noted above, as the nature of the company's business is quite specific, setting measurable objectives may restrict the company's development at this stage. Notwithstanding this, the company actively encourages the recruitment of female staff/contractors where available, and will continue to recruit and promote regardless of gender, age, ethnicity or cultural background.

The following table indicates the current gender mix of employees:

	Male	Female	Male	Female	Total
Board	3	-	100%	-	3
Executive and Senior Managers	10	2	83%	17%	12
All Other	174	86	68%	33%	260
Total	187	88	68%	32%	275

Principle 2: Structure the board to add value

The ASX Corporate Governance Council guidelines recommend that the board be structured in such a way that it:

- *is of an effective composition, size and commitment to adequately discharge its responsibilities;*
- *has a proper understanding of, and competence to deal with, the current and emerging issues of the business; and*
- *has an appropriate number of independent non-executive directors who can challenge management and represent the best interests of security holders as a whole.*

To achieve best practice the Council recommends that:

- *the board should establish a nomination committee;*
- *listed entities should disclose a board skills matrix;*
- *a majority of the board be "independent" Directors;*
- *the chairperson be an "independent" Director and should not be the same person as the CEO; and*
- *listed entities have a program for inducting new directors and provide appropriate professional development opportunities.*

The Company has a Nomination and Remuneration Committee (the Committee) and the board has approved the charter for the Nomination and Remuneration Committee. The Committee charter is set out on the Company's website.

The number of meetings of the Committee held during 2017 is set out in the Directors' Report.

In 2017 the Committee comprised Mr Joseph Ganim, Mr Darryl Somerville and Mr Peter Jones (appointed 29 May 2017). The Council recommends that remuneration committees be comprised of at least three independent directors. Despite all three directors being non-executive directors, Mr Jones is not considered independent due to being a substantial shareholder. Due to Messrs Ganim, Somerville and Jones extensive corporate history and experience, the company believes that given the size and nature of its operations, non-compliance has not been detrimental.

The Company is developing an appropriate board skills matrix. Comprehensive details about each director's experience and skills are set out in the Directors' Report.

Site Group International Limited's current board consists of four non-executive Directors and one executive Director. Three of the non-executive directors are independent directors (and this was also the case during 2016) Mr Peter Jones is not considered to be independent due to being a substantial security holder. The Chairman of the Board Mr Darryl Somerville is an independent non-executive director. In accordance with the Council's definition of independence, Mr Vernon Wills is not considered independent as he is employed in an executive capacity and is a substantial security holder of the Company. As such the majority of the board was comprised of independent directors, and the chairperson of the board was considered independent, throughout 2017.

Directors have the right to seek independent professional advice and are encouraged to undertake appropriate professional development opportunities in the furtherance of their duties as Directors at the Group's expense. Informal induction is provided to any new Directors.

Corporate Governance Statement continued

Principle 3: Act ethically and responsibly

The ASX Corporate Governance Council guidelines recommend that the Company should:

- *clarify the standards of ethical behaviour of Directors and executives by establishing a code of conduct and encourage the observance of those standards; and*
- *the policy or a summary of that policy is to be disclosed.*

Site Group International Limited has a published code of conduct to guide executives, management and employees in carrying out their duties and responsibilities. The code of conduct covers such matters as:

- responsibilities to shareholders;
- compliance with laws and regulations;
- relations with customers and suppliers;
- ethical responsibilities;
- employment practices; and
- responsibilities to the environment and the community.

Principle 4: Safeguard integrity in corporate reporting

The ASX Corporate Governance Council guidelines recommend that the Company have formal and rigorous processes that independently verify and safeguard the integrity of the company's corporate reporting.

To achieve best practice the Council recommends that:

- *the board should establish an audit committee;*
- *CEO and CFO sign declarations attesting to the accuracy of the Company's accounts and that appropriate internal controls are in place; and*
- *the Company ensure the external auditor attends the AGM.*

The Company has an Audit Committee and the number of meetings of the committee held during the 2018 year is set out in the Directors' Report.

In 2018 and 2017 the committee comprised Mr Darryl Somerville, Mr Joseph Ganim and Mr Peter Jones (appointed 29 May 2017) with the CEO attending on an ex officio basis. The Council recommends that audit committees be comprised of at least three independent directors. Despite all three directors being non-executive directors, Mr Jones is not considered to be independent due to being a substantial security holder of the Company. Due to Messrs Somerville, Ganim and Jones extensive corporate history and experience in financial matters, the company believes that given the size and nature of its operations, non-compliance has not been detrimental.

Audit committee meetings are attended, by invitation, by the engagement partner (or their nominee) from the Company's external auditor and such other senior staff or professional people as may be appropriate from time to time.

Each year the Chief Executive Officer and Chief Financial Officer sign declarations in accordance with section 295A of the Corporations Act, to confirm that the accounts are correct and in accordance with relevant legislation and that appropriate financial controls are in place.

The external auditors are required to attend the annual general meeting and are available to answer any questions from security holders relevant to the audit.

Principle 5: Make timely and balanced disclosure

The ASX Corporate Governance Council guidelines recommend that a Company make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities. It recommends that it put in place mechanisms designed to ensure all investors have equal and timely access to material information concerning the Company (including its financial position, performance, ownership and governance), and that a Company's announcements are factual and presented in a clear and balanced way.

The board and senior management team at Site Group International Limited are conscious of the ASX Listing Rule continuous disclosure requirements and have processes in place to ensure compliance. Company policy requires:

- all announcements be reviewed by the Chairman; and
- all media comment is by the Chairman, Managing Director and Chief Financial Officer.

Principle 6: Respect the rights of security holders

The ASX Corporate Governance Council guidelines recommend that a Company respects the rights of security holders by providing them with appropriate information and facilitates to allow them to exercise those rights effectively.

To achieve best practice, the Council recommends that Companies:

- *Provide information about themselves and their governance on their website;*
- *Design and implement a suitable investor relations program to facilitate effective two-way communication with investors;*
- *Disclose policies and processes to encourage participation at meetings of security holders; and*
- *Provide security holders with the option to receive communications electronically.*

Site Group International Limited promotes effective communication with shareholders and encourages effective participation at general meetings by providing information to shareholders:

- Through the release of information to the market via the ASX;
- Through the distribution of the Annual Report and notices of annual general meeting;
- Through shareholder meetings and investor presentations; and
- By posting relevant information on Site Group International's website: www.site.edu.au

The company's website has a dedicated investor relations section for the purpose of publishing all important company information and relevant announcements made to the market.

The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Principle 7: Recognise and manage risk

The ASX Corporate Governance Council guidelines recommend that the Company establish a sound risk management framework to identify and manage risk on an ongoing basis. It recommends that the system be designed to identify, assess, monitor and manage risk; and inform investors of material changes to the Company's risk profile. It suggests that to achieve "best practice", the board or an appropriate board committee should establish policies on risk oversight and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Audit and Risk Committee has in its Charter the requirement to consider risks that the Company has to manage.

The Company has established a Risk Register that is reviewed by the Audit and Risk Committee annually. Risks are assessed and ranked in accordance with generally accepted risk management practices with appropriate mitigation strategies adopted where possible.

The Company does not have a separate internal audit function. The board considers that the Company is not currently of the size or complexity to justify a separate internal audit function, and that appropriate internal financial controls are in place. Such controls are monitored by senior financial management and the Audit and Risk Committee.

In addition the board does consider the recommendations of the external auditors and other external advisers and where considered necessary, appropriate action is taken to ensure that an environment is in place that key risks, as identified, are managed.

The Director's Report sets out some of the key risks relevant to the Company and its operations. Although not specifically defined as such, the risks include economic, environmental and social sustainability risks. As noted above, the Company regularly reviews risks facing the Company and adopts appropriate mitigation strategies where possible.

Corporate Governance Statement continued

Principle 8: Remunerate fairly and responsibly

The ASX Corporate Governance Council guidelines recommend that the Company ensures that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined. In this regard it recommends that companies adopt remuneration policies that:

- *attract and retain high quality Directors;*
- *attract, retain and motivate high quality senior executives; and*
- *to align their interests with the creation of value for security holders.*

The Company has a Nomination and Remuneration Committee and the board has approved the charter for the Nomination and Remuneration Committee. The Committee charter is set out on the Company's website.

The number of meetings of the committee held during the 2018 year is set out in the Directors' Report.

In 2018 the Committee comprised Mr Joseph Ganim, Mr Darryl Somerville and Mr Peter Jones. The Council recommends that remuneration committees be comprised of at least three independent directors. Despite all three directors being non-executive directors, Mr Jones is not considered to be independent due to being a substantial security holder in the Company. Due to Messrs Ganim, Somerville and Jones extensive corporate history and experience, the company believes that given the size and nature of its operations, non-compliance has not been detrimental.

All matters of remuneration and executive appointments were also considered by the full board. At this stage it is reasonable that the board be accountable for setting their own remuneration and that of senior executives.

The remuneration of the board's non-executive and executive directors is set out in the relevant section of the Annual Report. Details of the nature and amount of each element of the remuneration of each director of the Company and the key management personnel of the Company are disclosed in the relevant section of the Annual Report. There is no retirement benefit scheme for directors other than payment of statutory superannuation.

The Company has adopted a Trading Policy that includes a prohibition on hedging, aimed at ensuring participants do not enter in to arrangements which would have the effect of limiting their exposure to risk relating to an element of their remuneration.

PITCHER PARTNERS

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The Directors
Site Group International Limited
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BRISBANE QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2018, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of Site Group International Limited and the entities it controlled during the year.

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
31 August 2018

Statement of Comprehensive Income

	Note	Consolidated Group 2018 $	2017 $
Continuing operations			
Revenue	3	30,306,134	29,213,400
Interest income		16,197	16,930
Total income		30,322,331	29,230,330
Contractor and other service providers		(4,010,877)	(3,990,340)
Other direct fees and costs		(6,910,359)	(6,687,892)
Employee benefits expense	4	(14,029,659)	(14,956,324)
Depreciation and amortisation expense		(2,000,124)	(2,217,799)
Finance costs	4	(54,376)	(306,632)
Other expenses	4	(9,005,747)	(12,206,866)
Occupancy expenses		(3,531,255)	(3,279,521)
Foreign currency loss		(163,251)	(248,965)
Loss before tax from continuing operations		(9,383,317)	(14,664,009)
Income tax (expense) / benefit	15	(164,596)	2,105,515
Loss for the year from continuing operations		(9,547,913)	(12,558,494)
Discontinued Operations			
Profit / (loss) for the year from discontinued operations	20	3,505,701	(37,907,997)
Loss for the year		(6,042,212)	(50,466,491)
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent years (net of tax):			
Translation of foreign operations		12,994	(545,336)
Items not to be reclassified to profit or loss in subsequent years (net of tax):			
Remeasurement gain/(loss) on defined benefit plan		54,492	21,393
Total other comprehensive income (loss)		67,486	(523,943)
Total comprehensive loss		(5,974,726)	(50,990,434)
Earnings per share			
Earnings per share for (loss) / profit attributable to the ordinary equity holders of the parent			
Basic and diluted (cents per share)	7	(0.92)	(9.73)
Earnings per share for continuing operations			
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the parent			
Basic and diluted (cents per share)	7	(1.46)	(2.42)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910
AND CONTROLLED ENTITIES AS AT 30 JUNE 2018

Statement of Financial Position

	Note	Consolidated Group 2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,533,437	1,528,542
Trade and other receivables	9	3,334,449	3,709,967
Inventories		32,612	38,157
Prepayments		359,255	485,161
TOTAL CURRENT ASSETS		5,259,753	5,761,827
NON-CURRENT ASSETS			
Property, plant and equipment	11	7,722,575	8,003,144
Intangible assets	12	1,459,065	5,777,124
Security deposits		630,112	630,074
Other non-current financial assets		147,237	90,022
Deferred income tax asset	15	959,251	1,044,462
TOTAL NON-CURRENT ASSETS		10,918,240	15,544,826
TOTAL ASSETS		16,177,993	21,306,653
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	5,282,928	5,849,024
Interest bearing debt	14	359,078	711,548
Current tax liabilities		49,254	741,861
Provisions	16	706,396	1,379,919
TOTAL CURRENT LIABILITIES		6,397,656	8,682,352
NON-CURRENT LIABILITIES			
Trade and other payables	13	5,595,083	5,120,281
Provisions	16	2,563,987	2,370,427
Interest bearing debt	14	166,508	106,552
TOTAL NON-CURRENT LIABILITIES		8,325,578	7,597,260
TOTAL LIABILITIES		14,723,234	16,279,612
NET ASSETS		1,454,759	5,027,041
EQUITY			
Issued capital	17	78,085,284	75,742,840
Reserves	26	2,082,058	2,009,064
Retained losses	26	(78,712,583)	(72,724,863)
TOTAL EQUITY		1,454,759	5,027,041

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

Statement of Changes in Equity

	Share Capital	Retained earnings / (losses)	Foreign currency translation reserve	Share based payments reserve	Total
	(note 17)	(note 26)	(note 26)	(note 26)	
Consolidated Group	$	$	$	$	$
Balance at 1 July 2016	69,293,031	(22,279,765)	1,102,725	1,230,991	49,346,982
Comprehensive income					
Profit for the year	-	(50,466,491)	-	-	(50,466,491)
Other comprehensive income for the year	-	21,393	(545,336)	-	(523,943)
Total comprehensive income / (loss) for the year	-	(50,445,098)	(545,336)	-	(50,990,434)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year	4,913,209	-	-	-	4,913,209
Shares to be issued	1,663,462	-	-	-	1,663,462
Transaction costs	(126,862)	-	-	-	(126,862)
Share-based payments	-	-	-	220,684	220,684
Total transactions with owners and other transfers	6,449,809	-	-	220,684	6,670,493
Balance at 30 June 2017	75,742,840	(72,724,863)	557,389	1,451,675	5,027,041
Comprehensive income					
Loss for the year	-	(6,042,212)	-	-	(6,042,212)
Other comprehensive income for the year	-	54,492	12,994	-	67,486
Total comprehensive income /(loss) for the year	-	(5,987,720)	12,994	-	(5,974,726)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year	2,500,000	-	-	-	2,500,000
Transaction costs	(157,556)	-	-	-	(157,556)
Share-based payments	-	-	-	60,000	60,000
Total transactions with owners and other transfers	2,342,444	-	-	60,000	2,402,444
Balance at 30 June 2018	78,085,284	(78,712,583)	570,383	1,511,675	1,454,759

Statement of Cash Flows

	Note	Consolidated Group 2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		34,355,795	35,664,810
Payments to suppliers and employees		(34,458,894)	(34,333,441)
Interest received		16,164	16,403
Finance payments		(82,469)	(423,068)
Income tax paid		(558,420)	(1,018,426)
Net cash (used in) operating activities	21	(727,824)	(93,722)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(727,073)	(802,060)
Payments for Investments		(59,051)	-
Proceeds from disposals		60,791	3,545
Purchase of intangible assets		(469,761)	(204,737)
Cash backed performance bonds		(798)	38,401
Payment of contingent consideration		-	(529,942)
Net cash (used in) investing activities		(1,195,892)	(1,494,793)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,254,000	1,735,560
Proceeds from borrowings		45,000	750,000
Repayment of borrowings		(138,820)	(2,248,865)
Principal repayments - finance leases	14	(83,655)	-
Transaction costs on shares		(157,556)	(46,862)
Net cash provided by financing activities		1,918,969	189,833
Net (decrease) / increase in cash held		(4,747)	(1,398,682)
Effect of exchange rates on cash holdings in foreign currencies		9,642	(55,455)
Cash and cash equivalents at beginning of financial year		1,528,542	2,982,679
Cash and cash equivalents at end of financial year	8	1,533,437	1,528,542

Notes to the Financial Statements for the Year Ended 30 June 2018

Note 1 Corporate Information

The consolidated financial report of Site Group International Limited (the Company) and its controlled entities (the Group) for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the directors on 31 August 2018.

Site Group International Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX Code: SIT). The Group is a for-profit entity for the purposes of preparation of this financial report.

The nature of the operations and principal activities of the Group are described in the directors' report.

Note 1a Summary of significant accounting policies

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied to the years presented unless otherwise stated.

Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report has been prepared on an accruals basis and is based on historical costs unless otherwise stated.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report is presented in Australian dollars.

(a) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Going concern

The financial report has been prepared on the basis that the Group will continue to meet its financial obligations as and when they fall due and can therefore continue normal activities, including the settlement of liabilities and the realisation of assets in the ordinary course of business.

In the financial year ended 30 June 2018 the Group made a net loss of $6,042,212 (2017: loss of $50,466,491) which was significantly impacted by non-cash impairments of $3,797,413. The cash outflow from operating activities for the year was $727,824 (2017: $93,722). Current forecasts of operational performance and capital expenditure requirements indicate that the company will be cash flow positive in the 2019 financial year.

At 30 June 2018, the Company had net current asset deficiency of $1,137,903. As a consequence of the impairment taken in the previous financial year, no amount has been reflected in the balance sheet for the receivable ($20,977,645 – refer note 9) due from the Commonwealth Government

Note 1a Summary of significant accounting policies continued

Department of Education and Training (DET), even though the group maintains the position that it is entitled to the funds. The Company has also entered into a financing facility with Punta Properties for $US4,000,000 to support the ongoing cash requirements of the business, of which $US1,000,000 has been drawn down subsequent to balance date to fund the remaining shortfall in net current assets described above. The loan terms, as set out in note 24, will not result in a cash outflow from the Group in settlement of the loan unless there is a significant cash inflow to fund such settlement. At 30 June 2018, the Company had cash reserves of $1,533,437 and had reduced the current interest bearing debt to $359,078.

The directors believe that at the date of the signing of the financial statements there are reasonable grounds to believe that, having regard to the matters set out above, the Group will continue to operate as a going concern in the foreseeable future.

(c) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2017:

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

The adoption of this new standard has necessitated disclosure of a reconciliation of movements in borrowings to cash flows from financing activities presented in the statement of cash flows. This reconciliation is provided in notes 14 and 24.

The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the Consolidated Entity's accounting policies nor affected the amounts reported for the current or prior years.

(ii) Accounting Standards and Interpretations issued but not yet effective.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2018 are listed below:

Affected Standards and Interpretations		Application date of standard	Application date of for Group
AASB 9	*Financial Instruments*	1 January 2018	1 July 2018
AASB 15	*Revenue from Contracts with Customers*	1 January 2018	1 July 2018
AASB 16	*Leases*	1 January 2019	1 July 2019

Note 1a Summary of significant accounting policies continued

The Group does not anticipate early adoption of any of the above reporting requirements and unless mentioned below, does not expect them to have any material effect on the company's financial statements.

AASB 9 introduces among other things an expected credit loss model which replaces the incurred credit loss model of AASB 139. The change will result in a revision to the way in which the provision for impairment is calculated, however will not have a material impact on the amount of the provision recognised in the period of initial application.

AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures regarding revenue are also introduced.

Following review of the Group's current revenue recognition policy, no material change in business practice, policy or procedure is required to achieve compliance with the requirements of AASB 15.

AASB 16 replaces AASB 117 and requires that

- All leases are 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment.
- A financial liability is recognised representing obligations to make future lease payments.

The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The financial impact of the new standard in the 2020 financial year will be dependent on the Group's lease arrangements in place when the new standard is effective, and the accounting approach adopted. However on implementation of the new standard the Group is currently estimating an increase in assets and liabilities of $5.113m at 1 July 2019, increase in earnings before interest, tax, depreciation and amortisation (EBITDA) of $0.990m, and a reduction in reported profit after tax of $0.803m for the year ended 30 June 2020.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at, and for the period ended, 30 June each year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;

Note 1a Summary of significant accounting policies continued

- The rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(e) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured.

Acquisition costs are included in other expenses.

(f) Foreign currency translation

Both the functional and presentation currency of Site Group International Limited and its Australian subsidiaries are Australian dollars ($). The Philippines branch's functional currency is the Philippine Peso (PHP), Site Group International Pte Ltd's functional currency is Singapore Dollars (SGD) and Competent Project Management Sdn Bhd's functional currency is Malaysian Ringgit (MYR). Each of these is translated to the presentation currency.

On consolidation, the assets and liabilities of the Asian operations are translated into Australian Dollars at the rate of exchange prevailing at the reporting date and the statement of comprehensive income is translated at the exchange rate prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

Note 1a Summary of significant accounting policies continued

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and in the statement of cash flows comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Financial instruments – initial recognition and subsequent measurement

Financial assets

Initial recognition and measurement

Financial assets within the scope of AASB 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group’s financial assets include cash and short-term deposits, trade receivables, loans and other receivables, quoted and unquoted financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs for loans and in other operating expenses for receivables.

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs.

Note 1a Summary of significant accounting policies continued

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of AASB 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings.

Loans and borrowings
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of comprehensive income.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Note 1a Summary of significant accounting policies continued

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

(i) Property, plant, and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Leasehold Improvements
Leasehold improvements are initially shown at their cost, less subsequent depreciation.

Plant and Equipment
Plant and equipment are measured on the cost basis, less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to profit and loss during the financial period when they are incurred.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvement.

The estimated lives used for each class of depreciable assets are:

Class of fixed asset	**Estimated Life**
Building and Leasehold improvements	2 – 25 years
Furniture and fittings	2 – 20 years
Computer equipment	3 – 5 years
Vehicles	3 – 5 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss.

(j) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Group as a lessee

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Note 1a Summary of significant accounting policies continued

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(k) Intangible assets

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, and liabilities. After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

Training Licences and Course Material

Site Group acquires licenced course material with significant scope (approved courses) in high risk training. The economic potential of these licences and courses was assessed as part of the acquisition price and recorded as an intangible asset which is being amortised on a straight line basis over five years.

Licences

Site Group acquires licences to offer scope of training and access to government funding options. The economic potential of these licences was assessed as part of the acquisition price and recorded as an intangible asset and amortised on a straight line basis over 20 years.

Customer Contracts

Site group acquires customer contracts with significant value to be realised through the profit and loss in future periods. The economic potential of these contracts is measured as a risk adjusted discounted cash flow to be generated from these contracts and recorded as an intangible asset which is amortised on a straight line basis over the relevant contract period.

Brand

Site group acquires brands that are recognised by customers in relevant markets and generate future activity for the company. The economic potential of these brands in the form of future revenue generating potential is assessed as a discounted cash flow and recorded as an indefinite useful life intangible and tested for impairment annually.

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Note 1a Summary of significant accounting policies continued

(l) Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where an individual asset does not independently generate cash flows, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(m) Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of cash or non-cash resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits
(i) Wages, salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Based on historical evidence no discounting of annual leave has been applied. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. Liabilities for wages, salaries and annual leave are recognised as current liabilities and the group does not have an unconditional right to defer settlement beyond 12 months.

(ii) Long service leave
The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees once an employee reaches five years of service. Expected future payments are discounted using market yields at the reporting date on the applicable corporate bonds with terms to maturity and currencies that match, the estimated future cash outflows. Where the group has an unconditional right to defer settlement of the liability beyond 12 months of the balance date, the provision is classified as non-current. Otherwise, the provision is classified as a current liability.

(n) Taxes

Income tax
Current Tax Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Note 1a Summary of significant accounting policies continued

Deferred Tax
Deferred tax is provided using the balance sheet liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed each reporting date and are recognised to the extent it has become probable that future taxable profit will allow recovery of the deferred tax asset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Tax consolidation legislation
Site Group International Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation. The head entity, Site Group International Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

Note 1a Summary of significant accounting policies continued

In addition to its own current and deferred tax amounts, Site Group International Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any differences between the amounts assumed and the amounts receivable or payable under the tax funding agreement are recognised as contributions to (or distribution from) wholly owned tax consolidated entities.

Goods and services tax (GST)
Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. GST receivable and payable has been offset against one another. Commitments are shown net of GST.

In the statement of cash flows, receipts from customers are shown inclusive of GST and payments to suppliers and employees are shown inclusive of GST and GST recovered from the tax office is shown in receipts from customers.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the group and the amount can be reliably measured. The following recognition criteria must also be met before revenue is recognised:

> *Course fees and Government subsidies* revenue is recognised over the period of the course as the service is provided.
> *Project income* revenue is recognised throughout the period of the project.
> *Interest income* revenue is recognised as the interest accrues, taking into account the effective yield on the asset.
> *Placement services* revenue is recognised throughout the period of the placement activity provided recovery of fees is considered probable.
> *Other income* revenue is recognised at the later of point of sale or when it can be reliably measured.

To the extent services have been invoiced however yet to be provided, the revenue is deferred and included in unearned income in the Statement of Financial Position. Unearned income also includes allowances made for re-credits and refunds that may be made to students.

(p) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the asset.

(q) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Note 1a Summary of significant accounting policies continued

(r) Share-based payment transactions

The Group provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions). Site Group currently has an Employee Share Plan (ESP), which provides benefits to directors and all eligible employees. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a binomial model, further details of which are given in note 22.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date). At each subsequent reporting date until vesting, the cumulative charge to profit or loss is the product of:

- The grant date fair value of the award;
- The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non- market performance conditions being met; and
- The expired portion of the vesting period.

The charge to profit or loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity. The expense associated with equity-settled awards granted by Site Group to employees of subsidiaries are recorded as an expense in the subsidiary and funded by advances from the parent which eliminate on consolidation. The expense recognised by the Group is the total expense associated with all awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition or non-vesting condition is considered to vest irrespective of whether or not that market condition or non-vesting is fulfilled, provided that all other conditions are satisfied.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax as applicable, from the proceeds.

(t) Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group does not measure any assets or liabilities at fair value on a recurring basis. Further, the carrying values of financial assets and financial liabilities as disclosed in note 25 approximate their fair values.

Note 1b Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result which form the basis of the carrying values of assets and liabilities that aren't readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details may be found in the relevant notes to the financial statements.

(a) Significant accounting judgements

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets other than goodwill and indefinite life intangibles

The Group assesses impairment of assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include technology, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Given the current uncertain economic environment management considered that the indicators of impairment were significant enough and as such these assets have been tested for impairment in this financial period, refer below.

(b) Significant accounting estimates and assumptions

Impairment of non-current assets

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. Further, the Group considers whether other non-current assets are impaired whenever there is an indication that impairment may exist. This requires an estimation of the recoverable amount of the cash generating units, using a value in use discounted cash flow methodology, to which the goodwill and intangibles with indefinite useful lives are allocated. An impairment loss of $3,797,413 was recognised in the current year in respect of goodwill and brand (2017: $23,570,460). The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 12.

Revenue recognition – Course fees

The Group recognises the revenue earned from delivery of a course over the period of the course that the service is provided. Where the duration of the course is extended this is recorded as unearned revenue on the statement of financial position. In calculating the amount of unearned revenue, consideration is also given to the probability of reversals and student refunds and the impact on the level of income recorded.

Notes to the Financial Statements for the Year Ended 30 June 2018 continued

Note 2 Parent Company Information

The following information has been extracted from the books and records of the parent, Site Group International Limited, and has been prepared in accordance with the Accounting Standards.

	2018 $	2017 $
Statement of Financial Position		
Assets		
Current assets	18,258,860	21,347,734
Non-current assets	11,676,784	33,316,143
Total Assets	29,935,644	54,663,877
Liabilities		
Current liabilities	2,051,569	2,035,758
Non-current liabilities	101,704	43,048
Total liabilities	2,153,273	2,078,806
Net Assets	27,782,371	52,585,071
Equity		
Issued capital	67,612,562	65,270,118
Accumulated losses	(41,291,325)	(14,136,721)
Share based payments reserve	1,461,134	1,451,674
Total Equity	27,782,371	52,585,071
Statement of Comprehensive Income		
Total loss of the parent entity	(27,154,604)	209,248
Total comprehensive loss of the parent	(27,154,604)	209,248

The Parent entity has no commitments to purchase property, plant and equipment and has no contingent liabilities.

Note 3 Revenue and Other Income from Continuing Operations

	Consolidated Group	
	2018	2017
Revenue from continuing operations	$	$
Revenue		
Course fees	20,278,169	16,962,652
Placement services	3,674,305	1,141,916
Government subsidies received	2,418,969	2,110,911
Project income	3,494,161	8,854,534
Other revenue	440,530	143,387
	30,306,134	29,213,400

Notes to the Financial Statements for the Year Ended 30 June 2018 continued

Note 4 Expenses from Continuing Operations

	Consolidated Group	
	2018	2017
Employee benefits expense	$	$
Wages and salaries	11,881,800	12,372,504
Superannuation expense	1,014,779	1,112,499
Payroll tax and workers compensation	704,746	752,282
Annual and long service leave	112,126	160,246
Other employment expenses	256,208	338,109
Share-based payment expense	60,000	220,684
	14,029,659	14,956,324
Other expenses		
Legal, accounting and other professional fees	624,546	1,007,679
Travel & accommodation	1,027,316	906,845
Sales and marketing expense	1,169,603	937,511
Consultants cost	779,257	551,791
Impairment of intangibles	3,797,413	7,563,980
Impairment of receivables	495,573	113,667
Other	1,112,039	1,125,393
	9,005,747	12,206,866
Finance costs		
Interest expense - third parties	23,061	167,015
Interest expense - related parties	26,515	134,007
Facilities fee	4,800	5,610
	54,376	306,632

Note 5 Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2018.

The totals of remuneration paid to KMP of the Group during the year are as follows:

	Consolidated Group	
	2018	2017
	$	$
Short-term employee benefits	1,076,536	1,007,877
Post-employment benefits	43,501	43,967
Other long term benefits	29,353	-
Termination benefits	33,654	-
Share-based payments	-	95,193
	1,183,044	1,147,037

Note 6 Auditors' Remuneration

On May 30, 2018, Pitcher Partners were appointed as auditors for the Group. This appointment follows the resignation of Ernst & Young, and ASIC's consent to the resignation in accordance with s329(5) of the *Corporations Act 2001.*

	Consolidated Group	
	2018	2017
	$	$
Remuneration of Pitcher Partners as current auditor of the parent entity for:		
— auditing or reviewing the financial report	75,000	-
Rumuneration of EY as former auditor of the parent entity for		
— auditing or reviewing the financial report	79,310	178,190
— taxation services	32,180	62,745
	111,490	240,935
Remuneration of other EY auditors of subsidiaries for:		
— auditing or reviewing the financial statements of subsidiaries	25,327	78,064
Remuneration of other auditors of subsidiaries for:		
— auditing or reviewing the financial statements of subsidiaries	10,147	24,605
— taxation services	12,261	10,167
	22,408	34,772

Note 7 Earnings per Share

	Consolidated Group	
	2018	2017
	$	$
a) Earnings used in calculating earnings per share		
For basic and diluted earnings per share:		
Net loss from continuing operations attributable to ordinary equity holders of the parent	(9,547,913)	(12,558,494)
Net loss attributable to ordinary equity holders of the parent	(6,042,212)	(50,466,491)
b) Weighted average number of shares	No.	No.
Weighted average number of ordinary shares for basic and diluted earnings per share	656,150,613	518,551,039
c) (Loss) / earnings per share (cents)		
Loss per share from continuing operations attributable to the ordinary equity holders of the parent	(1.46)	(2.42)
Loss per share attributable to the ordinary equity holders of the parent	(0.92)	(9.73)

There are no options outstanding at 30 June 2018 (Nil at 30 June 2017).

To calculate the EPS for discontinued operations the weighted average number of ordinary shares is as per above. The following table provides the profit / (loss) amounts used.

	Consolidated Group	
	2018	2017
	$	$
Net profit /(loss) from discontinued operations attributable to ordinary equity holders of the parent	3,505,701	(37,907,997)

Notes to the Financial Statements for the Year Ended 30 June 2018 continued

Note 8 Cash and Cash Equivalents

	Consolidated Group 2018 $	Consolidated Group 2017 $
Cash at bank and in hand	1,533,437	1,528,542
	1,533,437	1,528,542

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as cash and cash equivalents

Note 9 Trade and Other Receivables

	Note	Consolidated Group 2018 $	Consolidated Group 2017 $
CURRENT			
Trade receivables		24,450,323	29,212,007
Provision for impairment	9(a)	(21,671,453)	(26,145,867)
		2,778,870	3,066,140
Other receivables		555,579	643,827
Total current trade and other receivables		3,334,449	3,709,967

Trade receivables includes an amount of $20,977,645 receivable from the Commonwealth Government Department of Education and Training (DET). In December 2017, the Group received $4,869,133 of the amount outstanding and was then advised by DET it would accept further submissions from the Group for the balance ($28,969,145).

Following the provision of these submissions, the Group was advised that DET had decided against making the payment, without providing any legislative justification. The Group is now pursuing all remedies available to it through the court process to compel the DET to pay the outstanding amount.

In light of the uncertain circumstances with regard to the reconciliation payment, Management took the decision to write down the full debtor value in the accounts at 30 June 2017. During the six month period to 31 December 2017 the provision was written back by $4,990,133 following tuition re-credits and the DET payment received. The provision will continue to be re-assessed as the matter progresses and does not in any way alter the belief of the Board and Management that the Group is entitled to the full reconciliation amount of $28,969,145 in full and that the monies are legitimately due and payable under the relevant legislation as it then applied.

The Group has also taken up a provision for tuition re-credits. During the year the provision balance reduced by $725,592 to $79,055. The movement being tuition re-credits of $121,000 and a decision by management at 30 June to reduce the provision balance by a further $604,592. In assessing the provision balance, the Group has taken into account the DET reconciliation balance owed.

Notes to the Financial Statements for the Year Ended 30 June 2018 continued

Note 9 Trade and Other Receivables continued

a) Provision for impairment of receivables

Current trade receivables are non-interest bearing and generally on 30-day terms. Non-current trade receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	Consolidated Group	
	2018 $	2017 $
Opening Balance	26,145,867	80,219
Net charge / (reversed)	(4,420,769)	34,099,476
Amounts written off	(53,645)	(8,033,828)
Closing Balance	21,671,453	26,145,867

At 30 June 2018 the ageing analysis of trade receivables is as follows:

Consolidated Group	Total	0-30 days	31-60 days PDNI*	61-90 days PDNI*	+91 days PDNI*	+91 days CI**
As at 30 June 2018						
Trade receivables	24,450,323	1,907,852	402,448	159,307	309,263	21,671,453 (i)
Other receivables	555,579	482,882	(899)	11,621	61,975	-
Total	25,005,902	2,390,734	401,549	170,928	371,238	21,671,453
As at 30 June 2017						
Trade receivables	29,212,007	1,573,606	427,503	713,587	351,445	26,145,866
Other receivables	643,828	389,106	2,620	4,557	247,545	-
Total	29,855,835	1,962,712	430,123	718,144	598,990	26,145,866

*Past due not impaired (PDNI)
**Considered impaired (CI)
(i)The total balance receivable from DET is $20,977,645

b) Financial Assets Classified as loans and receivables

See Note 25 for a discussion about the financial assets classification of trade and other receivables.

c) Related party receivables

For terms and conditions of related party receivables refer to note 24.

d) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

At 30 June 2018, Group Receivables, before provision for impairment, included one customer that owed $20,977,645.

e) Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in note 25.

Note 10 Controlled Entities

	Principle activities	Country of Incorporation	Percentage Owned (%)* 2018	2017
Subsidiaries of Site Group International Limited:				
Site Group Holdings Pty Ltd	Holding company	Australia	100%	100%
Site Education Australia Pty Ltd	Holding company	Australia	100%	100%
Site WorkReady Pty Ltd	Labour services	Australia	100%	100%
Study Corp Australia Pty Ltd (*Formerly Site Labourhire Pty Ltd*)	Holding company	Australia	100%	100%
Site Skills Group Pty Ltd	Education and training	Australia	100%	100%
Site Skills Academy Pty Ltd	Education and training	Australia	100%	100%
Site WorkReady (Philippines) Pty Ltd	Holding company	Australia	100%	100%
Axis Training Group Pty Ltd	Education and training	Australia	100%	100%
Romea Consulting Pty Ltd	Education and training	Australia	100%	100%
Site Group international Pte Ltd	Competency development	Singapore	100%	100%
Competent Project Management Sdn Bhd	Competency development	Malaysia	100%	100%
Productivity Partners Pty Ltd	Education and training	Australia	100%	100%
Wild Geese International Pty Ltd	Oil & Gas consultancy	Australia	100%	100%
Site Institute Pty Ltd *(Formerly Innovium Pty Ltd)*	Education and training	Australia	100%	100%

* Percentage of voting power is in proportion to ownership

Note 11 Property, Plant and Equipment

	Consolidated Group 2018 $	2017 $
Plant and equipment		
Leasehold improvements		
At cost	8,343,301	8,406,651
Accumulated depreciation	(2,219,622)	(1,857,668)
Net carrying amount - leasehold improvements	6,123,679	6,548,983
Capital works in progress		
At cost	444,813	158,952
Computer equipment		
At cost	1,226,899	1,173,681
Accumulated depreciation	(1,093,995)	(955,169)
Net carrying amount - computers	132,904	218,512
Furniture and fittings		
At cost	4,203,950	4,086,984
Accumulated depreciation	(3,458,329)	(3,194,450)
Net carrying amount - furniture and fittings	745,621	892,534
Vehicles		
At cost	747,014	613,055
Accumulated depreciation	(471,456)	(428,892)
Net carrying amount - vehicles	275,558	184,163
Total property, plant and equipment	7,722,575	8,003,144

Note 11 Property, Plant and Equipment continued

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leasehold Improvements	Capital Works in Progress	Computers	Furniture & Fittings	Vehicles	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 30 June 2016	7,128,321	160,440	393,181	1,217,401	237,510	9,136,853
Additions	73,131	662,939	54,617	99,241	34,611	924,539
Revaluation adjustment	(53,626)	-	-	-	-	(53,626)
Transfers - in (out)	450,457	(648,288)	1,365	127,822	-	(68,644)
Disposals	(22,677)	-	-	(2,110)	-	(24,787)
Depreciation expense	(396,053)	-	(229,746)	(516,371)	(76,923)	(1,219,093)
Exchange rate differences	(630,570)	(16,139)	(905)	(33,449)	(11,035)	(692,098)
Balance at 30 June 2017	**6,548,983**	**158,952**	**218,512**	**892,534**	**184,163**	**8,003,144**
Additions	41,172	666,751	84,307	105,834	54,599	952,663
Transfers - in (out)	8,476	(382,914)	1,045	161,560	147,574	(64,259)
Disposals	(7,305)	-	(7,058)	(16,238)	(11,980)	(42,581)
Depreciation expense	(381,948)	-	(164,101)	(393,969)	(97,326)	(1,037,344)
Exchange rate differences	(85,699)	2,024	199	(4,100)	(1,472)	(89,048)
Balance at 30 June 2018	**6,123,679**	**444,813**	**132,904**	**745,621**	**275,558**	**7,722,575**

(b) Finance Leases

The carrying value of vehicles held under finance leases and hire purchase contracts at 30 June 2018 was $233,962 (2017: $144,774). Additions during the year include $162,599 (2017: $35,270) of vehicles under hire purchase contracts. Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liability.

(c) Impairment Testing

Impairment testing was completed on the *Site Skills Training – International* cash-generating unit (CGU) at 30 June 2018, to which $6,169,805 of the property, plant and equipment balance above is allocated. The recoverable amount of the CGU was determined based on value-in-use calculations. Value-in-use is calculated based on the present value of future cash flow projections over a five-year period including a terminal value calculation.

The projected cash flows used to determine value-in-use reflected the latest budgets. Key inputs into the impairment model included a pre-tax discount rate of 17%, annual revenue growth rate over the 5 year forecast period of 10%, and a terminal growth rate of 0%.

As a result of this analysis, management did not recognise an impairment charge.

The calculation of value in use for the CGU's is most sensitive to changes in forecast revenue growth and the discount rate. A decrease in average annual revenue growth rate to 0.5%, or an increase in the pre-tax discount rate of 23%, would result in an impairment charge being recognised.

Note 12 Intangible Assets

	Consolidated Group	
	2018	2017
	$	$
Non-Current		
Goodwill		
Net carrying value	638,050	4,375,463
Training licences and course material		
Cost	2,871,181	2,572,044
Accumulated amortisation	(2,267,606)	(1,887,173)
Net carrying value	603,575	684,871
Customer contracts		
Cost	1,615,542	1,615,542
Accumulated amortisation	(1,615,542)	(1,262,599)
Net carrying value	-	352,943
Brand		
Net carrying value	-	60,000
Software development		
Cost	1,191,112	1,009,990
Accumulated amortisation	(973,672)	(706,143)
Net carrying value	217,440	303,847
Total intangible assets	1,459,065	5,777,124

(a) Reconciliation of carrying amounts at the beginning and end of the period

Movements in carrying amounts for each class of intangible between the beginning and the end of the current financial year:

	Goodwill	Training Licences Courses	Licences	Customer Contracts	Brand	Software Development	Total
	$	$	$	$	$		$
Consolidated Group:							
Balance at 30 June 2016	27,084,527	1,020,858	830,700	705,875	133,000	526,754	30,301,714
Additions	-	48,901	-	-	-	132,117	181,018
Transfers in	-	21,091	-	-	-	1,276	22,367
Impairments	(22,709,064)	-	(788,396)	-	(73,000)	-	(23,570,460)
Amortisation expense	-	(384,783)	(42,304)	(352,932)	-	(356,300)	(1,136,319)
Exchange rate differences	-	(21,196)	-	-	-	-	(21,196)
Balance at 30 June 2017	**4,375,463**	**684,871**	**-**	**352,943**	**60,000**	**303,847**	**5,777,124**
Additions	-	258,787	-	-	-	146,784	405,571
Transfers in	-	24,921	-	-	-	39,338	64,259
Impairments***	(3,737,413)	-	-	-	(60,000)	-	(3,797,413)
Disposals	-	(635)	-	-	-	(2,000)	(2,635)
Amortisation expense	-	(372,436)	-	(352,943)	-	(270,529)	(995,908)
Exchange rate differences	-	8,067	-	-	-	-	8,067
Balance at 30 June 2018	**638,050**	**603,575**	**-**	**-**	**-**	**217,440**	**1,459,065**

**Impairments relate to energy services CGU (refer note 4)*

Note 12 Intangible Assets continued

b) Impairment

An impairment loss is recognised for the amount by which the as'et's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an as'et's fair value less costs to sell and value in use.

The recoverable amount of goodwill and brand name is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of future cash flow projections over a five-year period including a terminal value calculation.

The cash-generating units with a significant amounts of goodwill are the *Tertiary Education* unit and the *Energy Services* unit, as shown in the table below:

CGU	Tertiary		Energy		Site Skills Training (Domestic)	
	2018 $	2017 $	2018 $	2017 $	2018 $	2017 $
Carrying amount of goodwill	441,015	441,015	-	3,737,413	197,035	197,035

In the period to 30 June 2018, the business for Wild Geese International changed such that the Group sought to reassess impairment for the non-current assets (primarily goodwill) in the Energy Services cash-generating unit.

Tertiary Education cash-generating unit

The Group used the cash-generating unit's value-in-use to determine the recoverable amount. The projected cash flows were updated to reflect the latest budgets and a pre-tax discount rate of 17% (30 June 2017: 16.6%) was applied. The terminal growth rate applied is 0% (30 June 2017: 0%).

As a result of this analysis, management did not recognise an impairment charge.

The calculation of value in use for the Tertiary Education CGU is most sensitive to the changes in forecast gross margins and the discount rate. No reasonably possible change in forecast gross margins or the discount rate applied would have resulted in an impairment of the CGU carrying value at 30 June 2018.

Energy Services cash-generating unit

The Group used the cash-generating unit's value-in-use to determine the recoverable amount, which exceeded the carrying amount. The projected cash flows were updated to reflect the latest budgets and a pre-tax discount rate of 17% (30 June 2017: 16.6%) was applied. The terminal growth rate applied is 0% (30 June 2017: 0%).

As a result of this analysis, management recognised an impairment charge of $3,797,413 against goodwill and brand. The impairment charge is recorded in other expenses in the Statement of Comprehensive Income.

Notes to the Financial Statements for the Year Ended 30 June 2018 continued

Note 13 Trade and Other Payables

	Consolidated Group	
	2018	2017
	$	$
Current		
Unsecured liabilities		
Trade payables	2,573,229	2,304,457
Employee related payables	437,178	592,830
Unearned income	623,824	1,231,415
Accruals	1,640,375	1,650,267
Other payables	8,322	70,055
Total trade and other payables	5,282,928	5,849,024

	Consolidated Group	
	2018	2017
	$	$
Non-current		
Unsecured liabilities		
Trade payables	4,581,310	4,696,500
Accruals	1,013,773	423,781
Total trade and other payables	5,595,083	5,120,281

Non-current trade payables and accruals balances include commission payable to agents on receipt of the reconciliation payment receivable from the DET.

The non-current accruals account also includes $475,352 representing executive STI bonuses payable on receipt of the reconciliation payment receivable from the DET.

Amounts have been classified as non-current as the Group has no contractual obligation to settle the liabilities unless payment of the outstanding receivable due from the Commonwealth Government as per note 9 is received. Although the Group intends to pursue recovery of the outstanding receivable in full, as such recovery action is at the discretion of the Group. The directors are satisfied that an unconditional right of deferral exists for the liabilities until such time as the debtor is received.

(a) Fair value

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

(b) Related party payables

For terms and conditions relating to related party payables refer to note 24.

(c) Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in note 25.

Note 14 Interest Bearing Debt

Current financial liabilities

Refer to note 26(d) for details of the undrawn related party debt facility.

	Consolidated Group 2018 $	Consolidated Group 2017 $
Finance lease liability due within 12 months	92,156	73,168
Unsecured related party loans due within 12 months	266,922	638,380
	359,078	711,548

Non-current financial liabilities

	Consolidated Group 2018 $	Consolidated Group 2017 $
Finance lease liability	166,508	106,552
	166,508	106,552

Movements in finance lease borrowings during the year are as follows:

	2018 $	**2017 $**
Opening Balance	179,720	182,433
Assets acquired via finance lease	162,599	35,270
Repayments	(83,655)	(37,983)
Closing balance	**258,664**	**179,720**

Note 15 Taxation

	Consolidated Group 2018 $	Consolidated Group 2017 $
a) Income tax expense		
The major components of income tax expense are:		
Statement of comprehensive income		
Current income tax		
Current income tax charge (benefit)	88,851	(1,606,749)
Adjustments in respect of current income tax of previous years	73,579	(72,577)
Deferred income tax		
Relating to origination and reversal of timing differences	2,166	(426,189)
Income tax expense (benefit) reported in the statement of comprehensive income	164,596	(2,105,515)

Note 15 Taxation continued

b) Numerical reconciliation between aggregate tax expense

A reconciliation between tax expense and the product of accounting

Accounting loss before tax from continuing operations	(9,383,317)	(14,664,009)
Accounting profit/(loss) before tax from discontinued operations	3,588,746	(36,827,691)
Total before income tax	(5,794,571)	(51,491,700)
At the parent entity's statutory income tax rate of 30% (2017 - 30%)	(1,738,371)	(15,447,510)
Differential in overseas tax rate to Australian tax rate	147,363	56,504
Non-assessable income	-	95,776
Non-deductible expenses	116,279	(54,661)
Adjustments in respect of current income tax of previous years	73,579	(295,806)
Adjustments in respect of deferred tax in prior year	(45,708)	-
Impairment of intangible assets	1,139,224	6,834,619
Write back of Impairment of intangible assets	(1,497,034)	-
Derecognition of taxable temporary differences	-	7,785,869
Derecognition of carried forward tax losses	132,082	-
Deferred tax asset not recognised	1,920,227	-
	247,641	(1,025,209)
Aggregate income tax expense attributed to: Continuing operations	164,596	(2,105,515)
Aggregate income tax expense attributed to: Discontinued operations	83,045	1,080,306
	247,641	(1,025,209)

A deferred tax asset has not been recognised on the provision against the Department of Education and Training (DET) receivable amounting to $20,977,645 (tax effected: $6,293,294), based on there being uncertainty of the amount and timing of recoverability of the deferred tax asset.

A deferred tax asset has also not been recognised for unused tax losses amounting to $6,841,030 (tax effected: $2,052,309).

c) Deferred tax

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2018 $	2017 $	2018 $	2017 $
Accrued expenses	688,532	516,719	(171,813)	(6,792)
Superannuation payable	21,653	45,402	23,749	(6,230)
Provision for leave balance	213,629	184,612	(29,017)	(33,690)
Provision for impairment of receivables	29,252	30,791	1,539	(6,725)
Provision for re-credits	23,717	241,394	217,677	(241,394)
Customer contracts	-	(106,538)	(106,538)	(105,555)
Licences	-	-	-	(249,210)
Losses available for offsetting against future taxable income	-	132,082	132,082	(132,082)
Other foreign entity deferrals	(17,532)	-	17,532	-
Deferred tax expense (benefit)			**85,211**	**(781,678)**
Net deferred tax assets	**959,251**	**1,044,462**		

	2018 $	2017 $
Reconciliation of net deferred tax asset /(liabilities) net		
As of 1 July	1,044,462	262,784
Tax income during the period recognised in profit or loss	(2,166)	426,189
Discontinued operations	(83,045)	355,489
As at 30 June	959,251	1,044,462

Note 16 Provisions

Current	Consolidated Group 2018 $	Consolidated Group 2017 $
Employee - annual leave	580,376	537,155
Other	126,020	842,764
	706,396	1,379,919

(a) Movement in provisions

Movements in provisions other than those relating to annual leave, are set out below:

	13th Month Pay provision $	Provision for re-credits $	Total $
At 30 June 2016	35,195	-	35,195
Arising during the year	38,117	804,647	842,764
Utilised	(35,195)	-	(35,195)
At 30 June 2017	38,117	804,647	842,764
Arising during the year	46,965	-	46,965
Utilised / reversed	(38,117)	(725,592)	(763,709)
At 30 June 2018	46,965	79,055	126,020

Non-current	Consolidated Group 2018 $	Consolidated Group 2017 $
Provision for pension liability	94,742	109,282
Provision for long service leave	163,044	104,068
Provision for lease rental incentive	2,306,201	2,157,077
	2,563,987	2,370,427

(b) Movement in provisions

Movements in provisions are set out below:

	Lease Rental $	Pension Liability $	Long Service Leave $	Total $
At 30 June 2016	2,182,390	102,701	13,612	2,298,703
Arising during the year	11,613	6,581	99,426	117,620
Utilised/provision released	(36,926)	-	(8,970)	(45,896)
At 30 June 2017	2,157,077	109,282	104,068	2,370,427
Arising during the year	152,553	-	58,976	211,529
Utilised/provision released	(3,429)	(14,540)	-	(17,969)
At 30 June 2018	2,306,201	94,742	163,044	2,563,987

The Group has an obligation in the Philippines to provide for the retirement obligations of staff after 5 years of service should that person reach retirement age.

Note 16 Provisions continued

(c) Lease Rental Incentive

The lease of the Clark facility included a three year rent free period which concluded in October 2012. The lease agreement is for a period of 25 years with an option to renew for another 25 years. The agreement includes an escalation in lease payments of ten per cent, compounded on every increase, starting on the fourth year and every three years thereafter.

Note 17 Issued Capital

	Consolidated Group	
	2018 $	2017 $
688,552,154 fully paid ordinary shares; 1,116,000 partly paid ordinary shares (2017: 597,017,765 fully paid)	80,519,621	78,019,621
Cost of capital raising	(2,434,337)	(2,276,781)
	78,085,284	75,742,840

(a) Ordinary Shares

	No. Shares	$
30 June 2016 share capital	522,792,229	69,293,031
Share issue - 8 November 2016	730,000	-
Share issue - 8 November 2016	418,858	78,777
Share issue - 17 November 2016	4,865,348	915,027
Share issue - 17 November 2016	940,219	176,854
Share issue - 24 November 2016	4,382,111	1,226,991
Share issue - 22 June 2017	62,889,000	2,515,560
Transaction costs relating to capital raising	-	(126,862)
Shares to be issued as repayment for loan - 30 June 2017	-	1,663,462
30 June 2017 share capital	597,017,765	75,742,840
Share issue - 18 September 2017	41,586,531	-
Share issue - 21 September 2017	15,165,000	606,600
Share issue - 11 October 2017	10,375,000	415,000
Share buy back - 8 December 2017	(10,857,142)	-
Share issue - 14 December 2017	36,960,000	1,478,400
Share buy back - 25 January 2018	(1,695,000)	-
Transaction costs relating to capital raising	-	(157,556)
30 June 2018 share capital	688,552,154	78,085,284

- On 8 November 2016, the company issued 730,000 sign-on shares at no cost to employees in lieu of cash based remuneration and allowing management to participate in the growth of Site Group International Limited as shareholders.
- On 8 November 2016, the company issued 418,858 bonus shares at an issue price of 18.8 cents. The shares were issued at no cost to employees in lieu of cash based remuneration and allowing management to participate in the growth of Site Group International Limited as shareholders
- On 17 November 2016, under the terms of the acquisition agreement for Wild Geese International Pty Ltd, the company issued 4,865,348 shares to the vendor shareholder at the issue share price of $0.19 per share.

Note 17 Issued Capital continued

- On 17 November 2016, under the terms of the acquisition agreement for Site Institute Pty Ltd, the company issued 940,219 shares to the vendor shareholder at the issue share price of $0.19 per share.
- On 24 November 2016, the company completed the issue of 4,382,111 shares to Directors at the issue share price of $0.28 per share.
- On 22 June 2017, the company completed the issue of 62,889,000 shares under a private placement of shares at $0.04 per share.
- On 18 September 2017, the Company completed the issue of 41,586,531 shares at $0.04 per share in settlement of outstanding loans payable to Directors. Agreements for conversion of debt to equity were signed prior to 30 June 2017, subject to the necessary shareholder approval which was granted at an extraordinary general meeting of the Company on 15 September 2017. The financial effects of this transaction, being a reduction to liabilities and an increase in share capital of $1,663,462, were accounted for as at 30 June 2017 as the subsequent shareholder approval was considered to be merely a governance exercise.
- On 21 September 2017 – the Company issued 15,165,000 shares under the Share Purchase Plan at the issue price of $0.04 per share.
- On 11 October 2017 - the Company issued 10,375,000 shares under the Share Purchase Plan at the issue price of $0.04 per share.
- On 8 December 2017 – the Company completed a buy-back of 10,857,142 shares issued under the Employee Share Plan and sign on of shares forfeited by employees when they resigned from the Group.
- On 14 December 2017 - the Company issued 36,960,000 shares under the Share Purchase Plan at the issue price of $0.04 per share.
- On 21 January 2018 – the Company completed a buy-back of 1,695,000 shares issued under the Employee Share Plan and sign on of shares forfeited by employees when they resigned from the Group.

b) Options

i. For information relating to the Site Group International Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end. Refer to Note 22: Share-based Payments.

ii. No options were issued to key management personnel during the financial year.

c) Capital Management

Management control the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern. There are no externally imposed capital requirements. Management effectively manages the Group’s capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

During 2018, the Group has not paid any dividends.

Note 18 Capital and Leasing Commitments

	2018 $	2017 $
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised		
Payable — minimum lease payments		
not later than 12 months	1,601,689	2,069,883
between 12 months and 5 years	3,488,644	4,908,333
greater than 5 years	7,156,935	7,589,368
	12,247,268	14,567,584

The Group has an operation through a subsidiary located in the Philippines. On 30 October 2009 the subsidiary entered into a lease agreement covering a parcel of land where its office and education facilities are located. The lease agreement is for a period of 25 years with an option to renew for another 25 years. The agreement includes an escalation in lease payments of ten per cent, compounded on every increase, starting on the fourth year and every three years thereafter.

In 2016 the Group entered into a four-year commercial lease for the head office location. This lease has a life of four years with a renewal option included in the contract, there are no restrictions placed upon the lessee by entering into these leases. In addition, the Group has entered into leases for training facilities at Belmont (Perth) for five years, Gladstone for five years, Landsborough for five years and Darwin for five years. Competent Project Management has a two-year lease at Johor in Malaysia. All of the leases grant options for renewal at expiration of the current lease.

(b) Finance Lease

The Group entered into finance leases for the acquisition of motor vehicles during the year. These leases have renewal terms but no purchase options or escalation clauses. Future minimum lease payments under the finance lease together with the present value of the net minimum lease payments are as follows:

	2018		2017	
	Minimum Payments $	Present Value of payments $	Minimum Payments $	Present Value of payments $
Payable — lease payments				
not later than 12 months	106,466	92,156	72,341	73,168
between 12 months and 5 years	177,757	166,508	94,929	106,552
greater than 5 years	-	-	-	-
	284,224	258,663	167,270	179,720

Note 19 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group has organised its business into four separate units based on the products and services offered – the Chief Operating Decision Makers ("CODM"), being the directors and executive management of the Group, review the results on this basis.

The four reportable business segments of the Group are:

- **Site Skills Training - Domestic** which delivers vocational training and assessment services through five training facilities located at Perth, Gladstone, Darwin, Landsborough and Logan. At these locations our experienced team assesses, up-skills and trains industry experienced candidates in the mining and processing, oil and gas, construction, camp services, hospitality and logistic sectors.

- **Site Skills Training - International** operates a 300,000m^2 facility at Clark Freeport Zone in the Philippines allowing the company to deliver Australian standard training in a low cost and controlled environment. This facility has the capacity to complete large scale residential training programs customised to meet client specific requirements. This division also incorporates Site WorkReady being the recruitment and assessment division for international clients. A facility in PNG is also being established with a consortium of the Enga Children's Fund and Orion group.

- **Energy Services** refers to the establishment of specialised energy training and services delivered to the Oil and Gas industry.

- **Tertiary Education** delivers Diploma and certificate level courses at Site's campuses in Australia through the Site Institute brand and also English language courses and conferences internationally through the TESOL Asia business.

The CODM monitors the operating results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit/loss consistent with the operating profit/loss in the consolidated financial statements. Group financing and corporate overheads are managed on a group basis and not allocated to operating segments. Transfer prices between the operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following is an analysis of the revenue and results for the period, analysed by reportable operating unit:

Notes to the Financial Statements for the Year Ended 30 June 2018 continued

Note 19 Operating Segments continued

Year ended 30 June 2018

	Site Skills Training (Domestic) $	Site Skills Training (International) $	Energy Services $	Tertiary Education $	Total Segments $	Corporate and Eliminations $	Total $
Revenue							
Sales revenue - external customer	14,284,041	10,748,704	3,781,713	1,423,013	30,237,471	68,663	30,306,134
Sales revenue - inter-segment	-	40,304	-	-	40,304	(40,304)	-
Total segment revenue	14,284,041	10,789,008	3,781,713	1,423,013	30,277,775	28,359	30,306,134
Segment net operating (loss) before tax	**(943,529)**	**173,134**	**(5,245,824)**	**(260,403)**	**(6,276,622)**	**(3,106,695)**	**(9,383,317)**
Interest revenue	-	6,792	1,059	-	7,851	8,346	16,197
Interest expense	(9,201)	(7,813)	(25)	(44)	(17,083)	(37,293)	(54,376)
Depreciation and amortisation	(744,364)	(524,781)	(646,162)	(16,401)	(1,931,708)	(68,416)	(2,000,124)
EBITDA	**(189,964)**	**698,936**	**(4,600,696)**	**(243,958)**	**(4,335,682)**	**(3,009,332)**	**(7,345,014)**
Segment assets as at 30 June 2018	4,178,592	8,761,877	748,775	1,116,961	14,806,205	995,107	15,801,312
Segment liabilities as at 30 June 2018	2,408,416	3,511,333	249,556	531,507	6,700,812	2,151,393	8,852,205
Capital expenditure as at 30 June 2018	712,650	536,341	9,936	27,545	1,286,472	71,762	1,358,234

Year ended 30 June 2017

	Site Skills Training (Domestic) $	Site Skills Training (International) $	Energy Services $	Tertiary Education $	Total Segments $	Corporate and Eliminations $	Total $
Revenue							
Sales revenue - external customer	11,933,746	9,029,449	9,212,098	601,344	30,776,637	(1,563,237)	29,213,400
Sales revenue - inter-segment	-	54,220	-	-	54,220	(54,220)	-
Total segment revenue	11,933,746	9,083,669	9,212,098	601,344	30,830,857	(1,617,457)	29,213,400
Segment net operating (loss) before tax	**(1,512,742)**	**(22,197)**	**(7,124,885)**	**(1,068,931)**	**(9,728,755)**	**(4,935,254)**	**(14,664,009)**
Interest revenue	-	5,699	1,543	-	7,242	9,688	16,930
Interest expense	(12,307)	(10,119)	-	(510)	(22,936)	(283,696)	(306,632)
Depreciation and amortisation	(895,328)	(553,263)	(678,019)	(19,965)	(2,146,575)	(71,224)	(2,217,799)
EBITDA	**(605,107)**	**535,485**	**(6,448,409)**	**(1,048,455)**	**(7,566,486)**	**(4,590,022)**	**(12,156,508)**
Segment assets as at 30 June 2017	3,812,216	8,161,944	6,145,686	1,106,843	19,226,689	1,442,457	20,669,146
Segment liabilities as at 30 June 2017	2,205,739	3,474,944	463,324	611,512	6,755,519	2,095,212	8,850,731
Capital expenditure as at 30 June 2017	392,465	642,173	5,500	15,797	1,055,935	14,608	1,070,543

The segment disclosures above do not include the discontinued operation. Refer to note 20 for more information.

Note 19 Operating Segments continued

	Consolidated Group 2018 $	Consolidated Group 2017 $
Reconciliation of loss		
Segment loss	(6,276,622)	(9,728,755)
Inter-company management fees	1,140,000	144,000
Head office occupancy costs	(160,348)	(150,212)
Corporate employee benefits including Directors costs	(2,804,049)	(2,682,843)
Legal accounting and other professional fees	(340,361)	(381,661)
Travel costs	(199,611)	(224,164)
Other corporate costs	(779,031)	(1,662,198)
Corporate income	36,705	21,824
Group loss before tax from continuing operations	(9,383,317)	(14,664,009)
Reconciliation of assets		
Segment operating assets	14,806,205	19,226,689
Corporate assets		
Cash at bank	25,776	333,681
Security deposits	345,981	348,086
Intangibles	197,763	198,028
Other assets	425,587	562,662
Group operating assets	**15,801,312**	**20,669,146**
Assets of discontinued operations (note 20)	376,681	637,507
Total assets per statement of financial position	**16,177,993**	**21,306,653**
Reconciliation of liabilities		
Segment operating liabilities	6,700,812	6,755,519
Corporate liabilities		
Corporate trade payables	1,639,850	2,011,986
Interest bearing debt	313,006	638,380
Current tax liabilities	-	(815,515)
Other liabilities	198,537	260,361
Group operating liabilities	**8,852,205**	**8,850,731**
Liabilities of discontinued operations (note 20)	5,871,029	7,428,881
Total liabilities per statement of financial position	**14,723,234**	**16,279,612**

The following is an analysis of the revenue and results for the period, analysed by reportable geographical location:

Year ended 30 June 2018

	Australia $	Asia $	Corporate and Eliminations $	Total $
Revenue				
Sales revenue - external	17,813,989	12,423,482	68,663	30,306,134
Sales revenue - inter segment	-	40,304	(40,304)	-
Total segment revenue	17,813,989	12,463,786	28,359	30,306,134
Segment net operating (loss) before tax	(5,533,627)	(742,995)	(3,106,695)	(9,383,317)
Non-current assets	2,590,547	6,853,257	479,642	9,923,446

Note 19 Operating Segments continued

Year ended 30 June 2017

	Australia	Asia	Corporate and Eliminations	Total
	$	$	$	$
Revenue				
Sales revenue - external	17,339,918	13,436,719	(1,563,237)	29,213,400
Sales revenue - inter segment	-	54,220	(54,220)	-
Total segment revenue	17,339,918	13,490,939	(1,617,457)	29,213,400
Segment net operating (loss) before tax	(1,978,554)	(186,221)	(12,499,234)	(14,664,009)
Non-current assets	6,864,940	6,960,864	451,668	14,277,472

Note 20 Discontinued Operations

In December 2016, the Group publicly announced the closure of Productivity Partners Pty Ltd's business, and the closure of VET FEE-HELP related campuses. The closure was a direct result of the Commonwealth Government passed legislative changes.

With Productivity Partners Pty Ltd being classified as a discontinued operation, the company is no longer included in the 'tertiary education' segment of the segment note. The results of Productivity Partners Pty Ltd for the year are presented below.

	2018	2017
	$	$
Revenue	-	16,488,860
Expenses	(1,401,367)	(11,357,175)
Operating income	(1,401,367)	5,131,685
Impairment of intangible assets	-	(16,006,480)
Write back of provision for impairment of debtors	4,990,113	(25,952,896)
Profit / (loss) before tax from discontinued operations	3,588,746	(36,827,691)
Tax expense	(83,045)	(1,080,306)
Profit / (loss) after tax from discontinued operations	3,505,701	(37,907,997)

The major classes of assets and liabilities of Productivity Partners Pty Ltd as at 30 June 2018 are as follows:

Note 20 Discontinued Operations continued

	2018	2017
Assets	$	$
Intangible assets	-	35,939
Property, plant and equipment	5,643	157,054
Debtors	34,393	27,267
Cash & short term deposits	(1,896)	9,662
Deferred tax asset	246,463	329,508
Other assets	92,078	78,076
	376,681	637,506
Liabilities		
Creditors	(5,782,041)	(4,940,018)
Interest bearing debt	(9,933)	(15,262)
Provisions	(79,055)	(814,577)
Current tax liabilities	-	(1,659,024)
	(5,871,029)	(7,428,881)

The net cash flows incurred by Productivity Partners Pty Ltd are as follows:

	2018	2017
	$	$
Operating	3,716,941	799,293
Investing	(3,728,499)	(2,611,252)
Financing	-	-
Net cash outflow	(11,558)	(1,811,959)

Earnings per share	2018	2017
Basic and diluted (loss) / profit for the year from discontinued operations (cents per share)	0.53	(7.14)

Note 21 Cash Flow Information

	Consolidated Group 2018 $	Consolidated Group 2017 $
Reconciliation of net (loss) / profit after tax to net cash flows from operations		
Loss after income tax expense	(6,042,212)	(50,466,491)
Non cash items		
Depreciation and amortisation	2,033,252	2,355,412
Foreign exchange loss	-	248,965
Share based payments expense	60,000	220,684
Impairment for non current assets	3,797,413	23,570,460
Net Interest accrued / (paid) on loans	(32,326)	-
Net (Loss) / Profit on sale of plant & equipment	(15,575)	20,241
	(199,448)	(24,050,729)
Change in assets and liabilities		
Decrease / (Increase) in receivables	403,341	42,932,933
Decrease / (Increase) in inventory	4,745	9,367
Decrease / (Increase) in prepayments	127,044	-
(Decrease) / Increase in payables and accruals	(73,481)	(18,183,162)
Increase / (Decrease) in provisions	(395,539)	926,987
Decrease / (Increase) in deferred tax assets	85,141	-
Increase / (Decrease) in current tax liabilities	(679,627)	-
Other working capital movements	-	(1,729,118)
Net cash used in operating activities	(727,824)	(93,722)

Note 22 Share Based Payments

The expense recognised for services received during the year is shown in the table below:

	Consolidated Group 2018 $	Consolidated Group 2017 $
Share options expense		
Expense/(write back) arising from equity-settled share-based payments	-	-
Employee services		
Expense arising from the amortisation of employee sign on and bonus shares	60,000	216,886
Expense arising from the amortisation of the employee share plan	-	3,798
Total expense arising from share based payment transactions	60,000	220,684

(a) Employee share plan

In November 2011 the Shareholders approved the establishment of an Employee Share Plan that would enable employees, directors and eligible associates to subscribe for shares in the Company. Under the terms of the plan an eligible person is offered shares in the Company at a price determined by the board ($0.20 per share) with a corresponding interest free loan to assist the person to subscribe for the shares.

Note 22 Share Based Payments continued

The shares are escrowed in two tranches with 50% being escrowed for a minimum of 12 months and 50% being escrowed for a minimum of 24 months. Subsequent to these minimum restriction periods, the shares are available for release from escrow (i.e. a vested and exercisable option) on the repayment of the loan, and subject to continuation of employment (including acting as an associate or director) at the time of repayment.

For accounting purposes these shares are treated as if these were share options, as whilst the shares have been issued to the employee their rights to access the shares are subject to both a time based requirement (continued employment to escrow dates) and valuation uncertainty (share price exceeds issue price at date of escrow release). Accordingly, shares issued under the plan are valued using a Black Scholes Option Valuation model with the expense being recognised over the escrow period as a share based payment.

	2018	2017
Outstanding at the beginning of the period	11,490,000	11,490,000
Granted during the period	-	-
Forfeited during the period	1,695,000	-
Expired during the period	-	-
Outstanding at the end of the period	9,795,000	11,490,000
Exercisable (vested) at the end of the period	9,795,000	11,490,000

All shares are exercisable at 20 cents per share. No expenditure was recognised under the Employee Share Plan in either the current period (2017:$3,798), and there were no grants of shares under the Employee Share Plan during the current or comparative periods.

(b) Employee sign-on and bonus shares

From time to time the Group issues shares to employees as an incentive for accepting employment with the group. Shares are issued at the volume weighted average price (VWAP) of the Group's stock trading for the period prior to issuance. Shares are subject to escrow periods which vary depending on the contracts with the employee, and the value of the shares is recognised as an expense over the escrow period subject to continuing employment with the Group. No such shares have been issued in either the current or comparative financial years. Total expenditure of $60,000 was recognised in the current period relating to employee sign-on and bonus shares issued in comparative years.

(c) Share-based payments to service providers

In connection with the issuance of shares on 22 June 2017 (refer note 17), the Group issued shares in part payment of a fee for placement services provided. A total of 2,000,000 shares were issued at an issue price of $0.04 per share. The resultant cost of $80,000, which reflected the fair value of the placement services provided, was recorded in equity. No share-based payment arrangements were entered into with service providers in the current period.

Note 23 Events after the Reporting Period

Other than as disclosed elsewhere in this report, there have been no significant events after balance date.

Notes to the Financial Statements for the Year Ended 30 June 2018 continued

Note 24 Related Party Transactions

(a) The Group's main related parties are as follows:

i. **Entities exercising control over the Group:**
The ultimate parent entity, which exercises control over the group, is Site Group International Ltd which is incorporated in Australia.

ii. **Key Management Personnel:**
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.
For details of disclosures relating to remuneration of key management personnel, refer to Note 5.

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(c) Amounts outstanding from related parties

As disclosed in the remuneration report, Directors and Key Management Personnel participate in the employee share plan whereby they are offered shares in the Company with a corresponding interest free loan. The loan from the Company must be repaid prior to the shares being sold or transferred by the employee. The below table details the Director and Key Management Personnel participation:

Name	Shares Issued	Share Issue Price	Total Value	Loan from Company
Vern Wills	2,000,000	$0.20	400,000	400,000
Darryl Somerville	1,000,000	$0.20	200,000	200,000
Nicasio Alcantara	1,000,000	$0.20	200,000	200,000
Craig Dawson	1,000,000	$0.20	200,000	200,000
Blake Wills*	500,000	$0.20	100,000	100,000

*The shares issued to Blake Wills were bought back and cancelled on cessation of his employment with the group, in accordance with plan terms.

(d) Other transactions with related parties

During the current and comparative periods, the group made use of an unsecured loan facility with Wayburn Holdings Pty Ltd, a company associated with Managing Director and CEO Mr Vernon Wills.

The loan facility limit was $2.35m to 31 December 2016, and $1.32m from that point, repayable on the earlier of collection of the receivable from the Commonwealth Department of Education and Training (refer note 9), or February 2018. To date, revised terms have not been agreed for the facility and the outstanding balance as disclosed below is repayable at call. Interest is charged on the loan at a fixed rate of 7% per annum.

Note 24 Related Party Transactions continued

Movements in the loan balance during the year are as follows:

	2018 $	2017 $
Opening Balance	580,842	2,464,308
Drawdowns	-	-
Interest accrued during the year	25,900	-
Principal repayment through issuance of shares*	(246,000)	(1,776,991)
Principal Repayments (cash)	(93,820)	(106,475)
Closing balance	266,922	580,842

*Details of shares issued in settlement of outstanding loan amounts are as follows:

Date	Number of Shares	Share Price	Amount $
24/11/2016	3,667,825	$0.28	1,026,991
30/06/2017	18,750,000	$0.04	750,000
24/09/2017	6,150,000	$0.04	246,000

The share price at which the shares were issued represents the fair value of the shares at the date of issue and reflective of the external raising to other shareholders.

During the current and comparative periods, the group made use of unsecured loan facilities with Non-Executive Directors. Interest charged on the loans was at a fixed rate of 10% per annum.

Movements in the loan balances during the year are as follows:

	2018 $	2017 $
Opening Balance	57,539	200,000
Drawdowns	45,000	913,462
Interest accrued during the year	1,229	57,539
Principal repayment through issuance of shares*	-	(1,113,462)
Principal Repayments (cash)	(45,000)	-
Interest repayments (cash)	58,768	-
Closing balance	-	57,539

*Details of shares issued in settlement of outstanding loan amounts are as follows:

Date	Number of Shares	Share Price	Amount $
24/11/2016	714,286	$0.28	200,000
30/06/2017	22,836,550	$0.04	913,462

The share price at which the shares were issued represents the fair value of the shares at the date of issue and reflective of the external raising to other shareholders.

At 30 June 2018 the Company had no outstanding balances with Non-Executive Directors.

On 21 June 2018, the Company announced a financing facility of US$4million with Punta Properties, a company associated with Non-Executive Director Nicasio Alcantara. Repayment of funds drawn under the facility will be via cash or equity to be issued at the last issue price of 4 cents per share subject to approval of shareholders. Interest charged on the loan will be at a fixed rate of 10% per annum.

Note 24 Related Party Transactions continued

In addition, the Company and Punta Properties agreed to a performance based incentive to develop and execute an optimisation plan for the Group's Philippines assets, associated businesses and international expansion. This incentive is payable on the total project value achieved from the optimisation plan at 5% of the total project value achieved. Should the plan reach a total project value of US$30m a further 5% fee of the gross value is payable to Mr Alcantara. There is no retainer applicable or payable to this agreement. The agreement will be subject to shareholder approval at the next general meeting of shareholders.

Note 25 Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, leases and borrowing facilities. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group	
		2018	2017
		$	$
Financial assets			
Cash and cash equivalents	8	1,533,437	1,528,542
Loans and receivables	9	3,334,449	3,709,967
Other non-current financial assets		147,237	90,022
Total financial assets		5,015,123	5,328,531
Financial liabilities			
Financial liabilities at amortised cost			
Current			
— Trade and other payables	13	4,659,104	4,617,609
— Borrowings	14	359,078	711,548
Non-current			
— Trade and other payables	13	5,595,083	5,120,281
— Interest bearing debt	14	166,508	106,552
Total financial liabilities		10,779,773	10,555,990

(a) Liquidity Risk

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Note 25 Financial Risk Management continued

	Within 1 Year 2018 $	Within 1 Year 2017 $	1 to 5 Years 2018 $	1 to 5 Years 2017 $	Over 5 Years 2018 $	Over 5 Years 2017 $	Total 2018 $	Total 2017 $
Financial liabilities due for payment								
Trade and other payables	4,659,104	4,617,609	5,595,083	5,120,281	-	-	10,254,187	9,737,890
Borrowings - Principal	324,315	711,548	-	-	-	-	324,315	711,548
- Interest	49,073	-	-	-			49,073	-
Other non-current financial liabilities - Principal	-	-	166,508	106,552	-	-	166,508	106,552
- Interest	-	-	11,249	-	-		11,249	-
Total expected outflows	5,032,492	5,329,157	5,772,840	5,226,833	-	-	10,805,332	10,555,990
Financial assets - cash flows realisable								
Cash and cash equivalents	1,533,437	1,528,542	-	-	-	-	1,533,437	1,528,542
Loans and receivables	3,334,449	3,709,967	-	-	-	-	3,334,449	3,709,967
Other non-current financial assets	-	-	147,237	90,022	-	-	147,237	90,022
	4,867,886	5,238,509	147,237	90,022	-	-	5,015,123	5,328,531
Net (outflow) / inflow	**(164,606)**	**(90,648)**	**(5,625,603)**	**(5,136,811)**	**-**	**-**	**(5,790,209)**	**(5,227,459)**

The outflow indicated above within 1 year will be funded via drawdowns on the $US4million loan facility available and unused at 30 June 2018, the terms of which are disclosed in note 24. The outflow in subsequent years is attributable to financial liabilities which will only require settlement where a corresponding inflow of economic benefits is received in settlement of fully impaired receivables, as disclosed in note 9.

(b) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's holding of cash as borrowings are under fixed interest agreements. The following table depicts the sensitivity of the Group's results to reasonably possible changes in interest rates.

	Consolidated Group 2018 $	Consolidated Group 2017 $
Financial assets		
Cash and cash equivalents	1,533,437	1,528,542

Consolidated	Post Tax Profit higher / (lower) 2018 $	Post Tax Profit higher / (lower) 2017 $	Other Comprehensive Income higher / (lower) 2018 $	Other Comprehensive Income higher / (lower) 2017 $
+ 1% (100 basis points)	10,734	10,700	-	-
- .5% (50 basis points)	(5,367)	(5,350)	-	-

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate. The Group is exposed to foreign currency risk on cash balances held in US Dollars (USD). At 30 June 2018 the Group had total cash and cash equivalents denominated in USD of USD 547,263 (2017:145,979).

The following table shows the foreign currency risk on the financial assets and liabilities of the Group's operations denominated in currencies other than the functional currency of the operations.

Consolidated	higher / (lower) 2018 $	higher / (lower) 2017 $	Income higher / (lower) 2018 $	Income higher / (lower) 2017 $
USD Rate+15%	95,880	20,102	-	-
USD Rate-15%	(70,868)	(14,858)	-	-

Note 25 Financial Risk Management continued

(d) Price risk

The group is not materially exposed to price risk.

(e) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of the financial assets (as outlined in each applicable note).

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's experience of bad debts has not been significant.

Note 26 Retained Earnings/ (Losses) and Reserves

(a) Movement in retained earnings/ (losses) and reserves

	Consolidated Group	
	2018 $	2017 $
Balance 1 July	(72,724,863)	(22,279,765)
Net (loss) / profit for the period	(6,042,212)	(50,466,491)
Other comprehensive income / (loss)	54,492	21,393
Balance 30 June	(78,712,583)	(72,724,863)

(b) Other reserves

	Consolidated Group		
	Share based payments $	Foreign currency translation $	Total $
At 30 June 2016	1,230,991	1,102,725	2,333,716
Foreign currency translation	-	(545,336)	(545,336)
Share based payment	220,684	-	220,684
At 30 June 2017	1,451,675	557,389	2,009,064
Foreign currency translation	-	12,994	12,994
Share based payment	60,000	-	60,000
At 30 June 2018	1,511,675	570,383	2,082,058

(c) Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Share based payments reserve

The share based payments reserve is used to record the value of share based payments provided to employees, including KMP, as part of their remuneration. Refer to note 22 for further details.

Note 27 Company Details

The registered office of the company is:

Site Group International Limited
Level 4, 488 Queen Street,
Brisbane Qld 4000

The principal places of business are:

Site Skills Training:

- 219 Forestry Road, Landsborough, Qld. 4550
- 17-19 South Tree Drive, Gladstone, Qld. 4680
- 72-80 Belgravia Street, Belmont, WA. 6104
- 1 Campion Road, East Arm NT 0822
- 1-5 Nestor Drive, Meadowbrook, QLD 4131
- Centennial Road, Clark Freeport Zone, Pampanga, Philippines 2023

Competent Project Management

- 112, Robinson Road #8-01, Singapore 068909
- 17G, Jalan Hijauan 3, Horizon Hills, 79100 Nusajaya, Johor

Directors' Declaration

In accordance with a resolution of the directors of Site Group International Limited, I state that:

1. In the opinion of directors:

    a) the financial statements and notes of Site Group International Limited for the financial year ended 30 June 2018 are in accordance with the *Corporations Act 2001*, including:

        i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

        ii. comply with Accounting Standards and the Corporations Regulations 2001; and

    b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1a (a); and

    c) subject to the matters discussed in Note 1a (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2018.

On behalf of the Board

Vernon Wills
Director

Brisbane, 31 August 2018

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Independent Auditor's Report to the Members of Site Group International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Site Group International Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Application of the going concern assumption **Refer to note 1a(b) going concern**	
The Directors have concluded that in their opinion there are reasonable grounds to believe that the Group has the ability to pay its debts as and when they fall due and realise the value of the assets in the ordinary course of business. Accordingly they have prepared the financial statements on a going concern basis as disclosed in note 1a(b). The going concern assumption is fundamental to the basis of preparation of the financial statements. Assertions made by the Directors in forming their conclusion, including forecast cash flows and unused borrowing facilities, are key elements of this assessment and considerable audit attention was directed to verifying these. Accordingly, our consideration of this matter and the related disclosures is considered to be a key audit matter.	Our procedures included, amongst others: • Obtaining an understanding of the entity level controls in place directed at ensuring the Group continues to operate as a going concern, and evaluating the design and implementation of those controls; • Evaluating whether the Directors' conclusions regarding the going concern assumption were supported by management's going concern assessment; • Agreeing the cash flow forecast used in the going concern assessment to the FY19 budget; • Assessing key inputs into the cash flow forecast by comparing them to historical actual results, assumptions and estimates used elsewhere in the preparation of the financial statements, and customer commitments, contracts, or other available information supporting forecast cash flows; • Considering the historical reliability of the group's cash flow forecasting process; • Considering the range of cash flow sensitivities to the conclusion reached by the directors; • Assessing the possible mitigating actions identified by management in the event that actual cash flows are below forecast, including verification of unused financing facilities to loan agreements; and • Assessing the adequacy of the disclosures made by the Directors regarding the going concern assumption and available financing.

Key Audit Matter	How our audit addressed the key audit matter
Impairment testing for non-current assets **Refer to note 1b, note 11(c), and note 12(b)**	
Impairment testing for goodwill is required to be completed annually under Australian Accounting Standard AASB 136 *Impairment of Assets*. This standard also requires impairment testing to be conducted for other non-current assets where there is an indicator that those assets may be impaired. Impairment testing was completed over non-current assets with a combined value of $7.133m. Impairment testing for non-current assets is a key audit matter due to the percentage of the group's total assets subject to impairment testing (44%), and the degree of estimation and assumptions (as disclosed in note 11(c) and note 12(b)) required to be made by the group, specifically concerning discounted cash flows.	Our procedures included, amongst others: • Obtaining an understanding of the controls over the valuation of non-current assets, and evaluating the design and implementation of those controls; • Checking the mathematical accuracy of the Board approved FY19 cash flow forecasts; • Confirming consistency of the impairment testing calculations and inputs applied by the group with the requirements of AASB 136; • Assessing the key assumptions within the impairment testing calculations including forecast cash flows, growth rates, discount rates and terminal values; • Applying our knowledge of the business and corroborated our work with external information where possible; • Performing sensitivity analysis in respect of the key assumptions and assessing the potential impact of reasonably possible change to those assumptions; and • Assessing the adequacy of disclosures relating to the impairment testing in notes 1b, note 11(c) and note 12(b).

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the [Group] or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 19 to 26 of the directors' report for the year ended 30 June 2018. In our opinion, the Remuneration Report of Site Group International Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
31 August 2018

Shareholder Information

1 Twenty Largest Shareholders

(i) Ordinary Shares Inclusive of Escrowed Ordinary Shares

As at 16 August 2018, there are 678,287,045 ordinary shares and an additional 10,265,109 ordinary shares subject to escrow restrictions.

The names of the twenty largest holders of ordinary shares including the ordinary shares in escrow are listed below:

Name	No. of Ordinary Shares Held	% of Issued Capital
NATIONAL NOMINEES LIMITED	72,179,561	10.50%
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS	44,140,703	6.42%
TALBOT GROUP INVESTMENTS PTY LTD	42,171,121	6.13%
WAYBURN HOLDINGS PTY LTD	41,108,142	5.98%
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS <WILLS FAMILY SUPER FUND A/C>	29,414,188	4.28%
LINWIERIK SUPER PTY LTD <LINTON SUPER FUND A/C>	21,000,000	3.05%
CAMERON RICHARD PTY LTD <LPS P/L NO5 EXEC B/PLAN A/C>	20,712,500	3.01%
SMITHLEY SUPER PTY LTD <SMITH SUPER FUND A/C>	19,916,289	2.90%
JGC ASSETS PTY LTD <JUDI COOK A/C>	16,746,700	2.44%
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD <CLIENT ACCOUNT>	16,676,766	2.43%
CAMERON RICHARD PTY LTD <LPS PL NO 5 EXEC B/PLAN A/C>	16,571,594	2.41%
STUART ANDREW PTY LTD <CAMPASPE FAMILY A/C>	14,682,068	2.14%
JGC ASSETS PTY LTD <JUDI COOK A/C>	12,581,201	1.83%
MYALL RESOURCES PTY LTD <MYALL GROUP SUPER FUND A/C>	11,250,000	1.64%
LINWIERIK INVESTMENTS PTY LTD	10,200,000	1.48%
NICASIO ALCANTARA	9,371,325	1.36%
THE SUMMIT HOTEL BONDI BEACH PTY LTD	7,137,368	1.04%
GANBROS PTY LTD <THE GANIM FAMILY ACCOUNT>	6,811,823	0.99%
MR GRANT HARRY O'KEEFE + MRS CATHERINE MARIA O'KEEFE <OKEEFE INVESTMENT A/C>	6,452,745	0.94%
DCEC PTY LTD <SOMERFAM SUPER FUND A/C>	6,390,176	0.93%

(ii) Ordinary Shares

The names of the twenty largest holders of fully paid ordinary shares are listed below:

Name	No. of Ordinary Shares Held	% of fully paid shares
NATIONAL NOMINEES LIMITED	72,179,561	10.66%
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS	44,140,703	6.52%
TALBOT GROUP INVESTMENTS PTY LTD	42,171,121	6.23%
WAYBURN HOLDINGS PTY LTD	41,108,142	6.07%
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS <WILLS FAMILY SUPER FUND A/C>	29,414,188	4.34%
LINWIERIK SUPER PTY LTD <LINTON SUPER FUND A/C>	21,000,000	3.10%

Shareholder Information continued

Name	No. of Ordinary Shares Held	% of fully paid shares
CAMERON RICHARD PTY LTD <LPS P/L NO5 EXEC B/PLAN A/C>	20,712,500	3.06%
SMITHLEY SUPER PTY LTD <SMITH SUPER FUND A/C>	19,916,289	2.94%
JGC ASSETS PTY LTD <JUDI COOK A/C>	16,746,700	2.47%
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD <CLIENT ACCOUNT>	16,676,766	2.46%
CAMERON RICHARD PTY LTD <LPS PL NO 5 EXEC B/PLAN A/C>	16,571,594	2.45%
STUART ANDREW PTY LTD <CAMPASPE FAMILY A/C>	14,682,068	2.17%
JGC ASSETS PTY LTD <JUDI COOK A/C>	12,581,201	1.86%
MYALL RESOURCES PTY LTD <MYALL GROUP SUPER FUND A/C>	11,250,000	1.66%
LINWIERIK INVESTMENTS PTY LTD	10,200,000	1.51%
NICASIO ALCANTARA	8,371,325	1.24%
THE SUMMIT HOTEL BONDI BEACH PTY LTD	7,137,368	1.05%
GANBROS PTY LTD <THE GANIM FAMILY ACCOUNT>	6,811,823	1.01%
MR GRANT HARRY O'KEEFE + MRS CATHERINE MARIA O'KEEFE <OKEEFE INVESTMENT A/C>	6,452,745	0.95%
DCEC PTY LTD <SOMERFAM SUPER FUND A/C>	6,390,176	0.94%

(iii) Escrowed Shares

The names of the top twenty holders of the escrowed shares are listed below:

Name	No. of Escrowed Shares Held	% of escrowed shares
MR VERNON ALAN WILLS	2,000,000	19.48%
NICASIO ALCANTARA	1,000,000	9.74%
CRAIG ANTHONY DAWSON	1,000,000	9.74%
SHAUN SCOTT	1,000,000	9.74%
DARRYL SOMERVILLE	1,000,000	9.74%
BRETT MCPHEE	750,000	7.31%
JOHN GILBERT RODGERS	750,000	7.31%
ISMAIL TAHIR	600,000	5.85%
NOEL CHENEY	500,000	4.87%
MR JASON STUART ANFIELD	376,087	3.66%
MR JARROD PETER BELCHER	300,000	2.92%
MS KATIE HURSE	300,000	2.92%
MR JAMIE VERNON WILLS	300,000	2.92%
MR JITENDRA ARJANBHAI JASALIYA	94,022	0.92%
MOHAMMED AKBERY	50,000	0.49%
MR CRAIG FORD	50,000	0.49%
CHRISTOPHER LAMBERT	50,000	0.49%
MITCH KELLY	25,000	0.24%
REBECCA BRODERICK	20,000	0.19%
JONATHON LAMBERT	20,000	0.19%

Shareholder Information continued

(iii) Partly Paid Shares

There are 1,116,000 partly paid shares, paid to $0.01, held by eight individual shareholders. $0.24 per share may be called up in the event of winding up the company.

The names of the holders are listed below:

Name	No of partly paid shares held	% of Partly Paid Shares
BARON INVESTMENTS PTY LIMITED	488,376	43.76%
BARON NOMINEES PTY LTD	400,000	35.84%
QUEVY HOLDINGS PTY LTD	195,624	17.53%
M B HUNNIFORD	24,000	2.15%
ESTATE LATE PETER GAME	2,000	0.18%
ESTATE LATE PETER AYLWARD GAME <EST LATE B E GAME A/C>	2,000	0.18%
P C TOOMEY	2,000	0.18%
R TOOMEY	2,000	0.18%
Total of partly paid shares issued	**1,116,000**	**100%**

2 Distribution of Equity Securities

Analysis of numbers of holders by size of holding:

(i) Fully paid ordinary shares

Distribution	Number of Holders	Number of Shares
1 - 1,000	83	42,988
1,001 - 5,000	55	159,734
5,001 - 10,000	84	755,137
10,001 - 100,000	186	8,735,223
Greater than 100,000	255	677,743,072
Totals	**663**	**687,436,154**

(ii) Partly paid shares, paid to $0.01

Distribution	Number of Holders	Number of Shares
1 – 1,000	-	-
1,001 – 5,000	4	8,000
5,001 – 10,000	-	-
10,001 – 100,000	1	24,000
Greater than 100,000	3	1,084,000
Totals	**8**	**1,116,000**

Shareholder Information continued

(iii) Escrowed ordinary shares

Distribution	Number of Holders	Number of Shares
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	11	389,022
Greater than 100,000	13	9,876,087
Totals	**24**	**10,265,109**

(iv) Unmarketable parcels

	Minimum parcel size	Holders	Shares
Minimum $500 parcel at $0.25 per share	20,000	252	1,379,130

3 Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares: Subject to any rights or restrictions for the time being attached to any class of shares, at a meeting of shareholders each shareholder entitled to vote may vote in person or by proxy or attorney or, being a corporation, by representative duly authorised under the Corporations Law, and has one vote on a show of hands and one vote per fully paid share on a poll.

4 Substantial Shareholder

Substantial shareholder notices lodged with the Company:

Substantial Shareholder	Number of Shares
Mr Vernon Alan Wills, Ms Jillaine Patrice Wills and Wayburn Holdings Pty Ltd	124,395,630
Peter Jones, Helen Jones, Cameron Richard Pty Ltd and Stuart Andrew Pty Ltd	56,819,466
Talbot Group Investments Pty Ltd	42,171,121