

30 August 2024

Appendix 4E

The Directors of Site Group International Limited ("Site", ASX:SIT)) release the:

- Appendix 4E – Preliminary Final Report for the year ended 30 June 2024

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Media and Investors

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Appendix 4E

(Unaudited)



SITE GROUP INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 73 003 201 910

**PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Report for the year ended 30 June 2024

This report includes results for Site Group International Limited and its controlled entities for the year ended 30 June 2024 (current period) compared with the year ended 30 June 2023 (prior period).

The financial results of Site Group International Limited and its controlled entities are prepared in accordance with requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The preliminary final report is unaudited and contains disclosures which are extracted or derived from the Annual Financial Report for the year ended 30 June 2024. The Annual financial report is in the process of being audited.

Key Information

Results for announcement to the market

	30-Jun		Change 24-23	
	2024	2023	%	
Revenue from ordinary activities continuing operations	8,879,581	6,917,693	28%	Increase in revenue
EBITDA before non recurring items	(843,446)	(2,607,358)	(68%)	Decrease of loss

Explanation of key information

Results for Site Group International Limited show a revenue line of \$8,879,581 compared to \$6,917,693 in the prior corresponding period. The earnings before interest, taxes, depreciation and amortisation (EBITDA) before non-recurring items was a loss of \$843,446 compared to a loss of \$2,607,358 in the prior corresponding period.

Audit

The financial statements accompanying this Appendix 4E have not been audited. The audit process is currently taking place, and it is likely that the Independent Auditor's Report will include a paragraph drawing attention to the going concern disclosure in the financial report that indicates a material uncertainty in relation to going concern. This disclosure is shown below

Going Concern

For the financial year ended 30 June 2024 the Group made a loss of \$3,822,330 (2023: loss of \$3,898,551) and the cash inflow from operating activities for the year was \$182,345 (2023: cash outflow \$3,631,987).

At 30 June 2024, the Group had a net asset deficiency of \$1,299,717 (2023: net assets of \$2,567,380) and a net current asset deficiency of \$8,787,303 (2023: deficiency of \$2,214,262). Notwithstanding the reported results, this financial report has been prepared on a going concern basis as the Directors consider that the company and the consolidated entity will be able to realise their assets and settle their liabilities in the normal course of business and at amount stated in the financial report.

The Directors have made enquiries of management, examined the Group current financial position and financial forecasts and have a reasonable expectation that the company and the Group has adequate financial resources to continue as a going concern.

Going Concern continued

Material matters identified by the Directors include:

- The reported loss after tax from continuing operations of \$3,822,330 is not considered by the Directors to reflect the expected future performance of the Group.
- The Group has the ability to sell down further ownership interest in Site Group Holdings Pty Ltd to raise funding as required. The Group currently holds 38.4% ownership after previously selling 61.6% of its interest in 2022 for \$US10.005m.

The continuation of the company and the Group as a going concern is dependent on the ability to achieve the following objectives:

- Forecast cash flow from operations including savings associated with restructuring and streamlining the corporate operations
- Forecast cash flow from realisation of the value of the Clark Property project in the form of third-party investors providing funds to enable the Group to proceed with its strategy of maximising the value of the leasehold;
- Proposed capital expenditure management; and
- Support of its investors through capital raising by way of debt or equity.

Should the above actions not generate the expected cash flow, there would be a material uncertainty which would cast material doubt as to whether the Group would be able to meet its debts as and when they fall due, and therefore continue as a going concern. The Group may be required to realise assets and extinguish liabilities other than in the course of business and at amount different from those stated in the financial statements.

The report does not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the company and the Group not continue as a going concern.

Dividends paid

There have been no dividends paid.

Dividend reinvestment plan

There was no dividend reinvestment plan in operation during the year.

Net tangible assets per share

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	(0.05) cents	0.10 cents

Commentary on the results for the year

The below table shows the result for the Group over the last 4 years.

Financial Summary							
	30-Jun 2024	30-Jun 2023	Change 24-23	30-Jun 2022	Change 23-22	30-Jun 2021	Change 22-21
	\$	\$	%	\$	%	\$	%
Revenue	8,879,581	6,917,693	28%	7,141,825	(3%)	7,362,539	(3%)
Net profit / (loss)	(3,822,330)	(3,898,551)	(2%)	(4,849,024)	(20%)	(8,637,238)	(44%)
add back							
Depreciation and amortisation	1,174,148	1,041,094	13%	1,127,170	(8%)	1,436,904	(22%)
Interest expense	345,444	881,066	(61%)	935,780	(6%)	1,723,418	(46%)
Income tax expense / (benefit)	(62,720)	112,771	-	(11,904)	-	(60,316)	-
deduct							
Interest income	4,731	7,874	(40%)	5,904	33%	14,905	(60%)
EBITDA* - Continuing Operations	(2,370,189)	(1,871,494)	27%	(2,803,882)	(33%)	(5,552,137)	(49%)
EBITDA* - Discontinued Operations	(234,940)	23,820,118	-	(1,354,896)	-	2,748,661	-
Non recurring items							
Impairment of PP&E, intangibles and right of use assets	1,955,259	-		469,291		3,961,403	
Gain on sale of subsidiary	(193,576)	(24,555,982)		-		-	
Gain on sale of SST Domestic business	-	-		-		(3,569,996)	
EBITDA before non recurring items	(843,446)	(2,607,358)	(68%)	(3,689,487)	(29%)	(2,412,069)	53%
Operating cash inflow /(outflow)	182,345	(3,631,987)	-	(1,698,101)	-	(1,791,755)	-

* 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.

For the year ended 30 June 2024, Site Group International Limited reported a loss after tax from continuing operations of \$3,822,330 compared to an after-tax loss of \$3,898,551 in the previous corresponding period. The earnings before interest, taxes, depreciation, and amortisation (EBITDA) from continuing operations was a loss of \$2,370,189 compared to a loss of \$1,871,494 in the previous period.

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, experienced a 59% increase in revenue to \$5,906,739 in the 12 months to June 2024, compared with \$3,713,144 in the prior year. EBITDA was a loss of \$1,075,757 compared to an EBITDA profit of \$219,583 in the prior year.

The recent signing of a significant contract with multinational gold producer OceanaGold Corporation (TSX: OGC) has seen the recommencement of underground mining training at the Clark facility in the Philippines. Site, in conjunction with OceanaGold, constructed the Underground Mine Training Environment with strong support from industry including Monark Equipment, Mynesight, Orica, Indodrill, Immersive Technologies and MineARC. The initial cohort commenced in December and the graduation ceremony was held in March 2024.

In PNG, Site's wholly owned subsidiary, Site WorkReady Pty Ltd has been contracted by Kumul Petroleum Academy (the training arm of Kumul Petroleum Holdings Limited) to expand the countries training capacity through a new Manage and Operate Agreement encompassing both the existing facility at Idubada and a new larger scale facility being constructed at Caution Bay, Port Moresby. Site will be retained for the first 2 years at USD \$50k per month to oversee the new development with the ability to enter profit sharing agreements as new training opportunities are commenced.

In the Kingdom of Saudi Arabia, Site offers vocational programs in welding, pipefitting, electrical, instrumentation, and safety. Through its partnership with Al Ajmi, the Group supports the Saudi Government's nationalisation objectives as part of its Vision 2030 and from tendered projects.

Energy Services

The Energy services division incorporates the Wild Geese International business providing services to the Oil and Gas industry.

The growth rate of this division has slowed with reported revenue of \$199,809 in 2024, down from \$553,114 in 2023. An EBITDA loss of \$55,684 was recorded compared to an EBITDA of profit \$121,233 in 2023.

Wild Geese International has continued its successful involvement with the Queensland Natural Gas Exploration and Production Industry forum for the delivery of Queensland wide Industry Safety Inductions.

Tertiary Education

This segment provides tertiary education in Australia for international students seeking to develop careers in a range of different disciplines with a focus on connecting learning and industry practice in an innovative environment.

Revenue for the 12 months increased by 14% to \$2,610,999 (2023: \$2,286,231) with an EBITDA loss of 99,408 (2023: EBITDA loss of \$18,198).

During the year, Site Institute relocated all ELICOS, Engineering and Civil Construction Design courses to the new premises in South Brisbane, offering a more flexible and efficient learning environment with larger classrooms and multi-use learning spaces.

Construction trade courses continue to be delivered at our purpose-built trade workshop and outdoor construction site in Coopers Plains.

**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910
AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2024**

Statement of Comprehensive Income

		Consolidated Group	
	Note	2024 \$	2023 \$
Continuing operations			
Revenue from contracts with customers	3	8,879,581	6,917,693
Interest income		4,731	7,874
Other income		375,079	-
Total income		9,259,391	6,925,567
Contractor and other service providers		(120,112)	(146,896)
Other direct fees and costs		(863,199)	(858,354)
Employee benefits expense	4	(4,908,594)	(4,031,451)
Sales and marketing expense		(685,010)	(587,790)
Occupancy expenses		(768,682)	(438,729)
Depreciation and amortisation expense	4	(1,174,148)	(1,041,094)
Impairment expense		(1,955,259)	-
Finance costs	4	(345,444)	(881,066)
Foreign currency (loss)		3,447	(326,258)
Fair value (loss)/ gain of financial liabilities at fair value through profit and loss		-	5,055
Share of net profit of associate account for using the equity method	9	(373,357)	(178,948)
Other expenses	4	(1,954,083)	(2,225,816)
Profit (Loss) before tax from continuing operations		(3,885,050)	(3,785,780)
Income tax (expense) / benefit	5	62,720	(112,771)
Profit (Loss) for the period from continuing operations		(3,822,330)	(3,898,551)
Profit/(Loss) for the year from discontinued operations	15	(155,840)	23,118,839
Profit (Loss) for the period		(3,978,170)	19,220,289
Other comprehensive income			
<i>Items that may be reclassified to profit or loss in subsequent years (net of tax):</i>			
Translation of foreign operations		(137,416)	9,894
<i>Items not to be reclassified to profit or loss in subsequent years (net of tax):</i>			
Remeasurement gain/(loss) on defined benefit plan		67,083	4,822
Total other comprehensive income /(loss)		(70,333)	14,716
Total comprehensive profit (loss)		(4,048,503)	19,235,004
Earnings per share			
Earnings per share for loss attributable to the ordinary equity holders of the parent			
Basic and diluted (cents per share)	2	(0.15)	1.51
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)	2	(0.15)	(0.31)

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

The financial statements are in the process of being audited.

**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910
AND CONTROLLED ENTITIES AS AT 30 JUNE 2024**

Statement of Financial Position

		Consolidated Group	
	Note	2024	2023
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		191,727	267,936
Trade and other receivables	6	987,980	939,024
Accrued revenue		33,319	32,551
Inventories		8,024	6,965
Prepayments		113,576	169,326
Financial assets at fair value through profit or loss	13	-	777,297
Current tax assets		-	5,678
TOTAL CURRENT ASSETS		1,334,626	2,198,777
NON-CURRENT ASSETS			
Property, plant and equipment	7	571,074	2,924,640
Right-of-use assets	8	962,342	880,084
Intangible assets	7	8,830	2,060
Security deposits		380,307	495,320
Investments accounted for using the equity method	9	6,180,812	6,400,503
Other non-current financial assets		16,435	16,435
Deferred income tax asset	5	476,928	335,106
TOTAL NON-CURRENT ASSETS		8,596,728	11,054,148
TOTAL ASSETS		9,931,354	13,252,925
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	3,674,497	3,366,374
Contract liabilities	11	91,566	48,945
Lease liabilities	8	520,926	488,580
Provisions	12	5,834,940	505,610
Financial liabilities at fair value through profit or loss	13	-	3,530
TOTAL CURRENT LIABILITIES		10,121,929	4,413,039
NON-CURRENT LIABILITIES			
Trade and other payables	9	213,532	5,595,083
Provisions	12	278,909	102,927
Lease liabilities	11	616,701	574,496
TOTAL NON-CURRENT LIABILITIES		1,109,142	6,272,506
NET ASSETS		(1,299,717)	2,567,380
EQUITY			
Issued capital	14	88,783,723	88,804,521
Reserves		2,754,385	2,710,126
Accumulated losses		(92,858,353)	(88,947,267)
Non-controlling interests		20,528	-
TOTAL EQUITY		(1,299,717)	2,567,380

The above statement should be read in conjunction with the accompanying notes.
The financial statements are in the process of being audited.

**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910
AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2024**

Statement of Changes in Equity

	Attributable to Owners of Site Group International Limited				Non-controlling interests	Total equity
	Share Capital (note 14)	Accumulated losses	Foreign currency translation reserve	Share based payments reserve		
	\$	\$	\$	\$	\$	\$
Consolidated Group						
Balance at 30 June 2022	83,719,540	(108,172,376)	1,161,870	1,538,362	(21,752,604)	-
Comprehensive income						-
Loss for the year	-	19,220,287	-	-	19,220,287	-
Other comprehensive income for the year	-	4,822	9,894	-	14,716	-
Total comprehensive income /(loss) for the year	-	19,225,109	9,894	-	19,235,003	-
Transactions with owners, in their capacity as owners, and other transfers						-
Shares issued during the year	5,388,735	-	-	-	5,388,735	-
Transaction costs	(303,754)	-	-	-	(303,754)	-
Share-based payments	-	-	-	-	-	-
Total transactions with owners and other transfers	5,084,981	-	-	-	5,084,981	-
Balance at 30 June 2023	88,804,521	(88,947,267)	1,171,764	1,538,362	2,567,380	-
Comprehensive income						-
Loss for the year	-	(3,978,169)	-	-	(3,978,169)	-
Other comprehensive income for the year	-	67,083	(137,416)	-	(70,333)	-
Total comprehensive income /(loss) for the year	-	(3,911,086)	(137,416)	-	(4,048,502)	-
Transactions with owners, in their capacity as owners, and other transfers						-
Shares issued during the year	-	-	-	-	-	20,528
Transaction costs	(20,798)	-	-	-	(20,798)	-
Share-based payments	-	-	-	181,675	181,675	-
Total transactions with owners and other transfers	(20,798)	-	-	181,675	160,877	20,528
Balance at 30 June 2024	88,783,723	(92,858,353)	1,034,348	1,720,037	(1,320,245)	20,528

The above statement should be read in conjunction with the accompanying notes.
The financial statements are in the process of being audited.

**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910
AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2024**

Statement of Cash Flows

	Consolidated Group	
	Note	
	2024	2023
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	9,209,681	6,947,477
Payments to suppliers and employees	(8,851,688)	(9,891,216)
Interest received	841	2,150
Interest paid	(176,489)	(682,970)
Income tax paid	-	(7,428)
Net cash used in operating activities	182,345	(3,631,987)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(253,179)	(118,975)
Purchase of intangible assets	(9,162)	-
Payments for investments	(193,576)	(225,406)
Proceeds from sale of entities	-	3,000,240
Proceeds from sale of business	938,800	558,015
Proceeds from sale of property, plant and equipment	20,000	-
Cash backed performance bonds	(119,774)	(39,915)
Net cash provided investing activities	383,109	3,173,959
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	4,943,735
Repayment of borrowings	-	(2,526,989)
Principal repayments - lease liabilities	(632,669)	(1,489,503)
Transaction costs on shares	-	(332,366)
Net cash provided by financing activities	(632,669)	594,877
Net increase / (decrease) in cash held	(67,215)	136,849
Effect of exchange rates on cash holdings in foreign currencies	(8,994)	(8,200)
Cash and cash equivalents at beginning of financial year	267,936	139,287
Cash and cash equivalents at end of financial year	191,727	267,936

The above statement should be read in conjunction with the accompanying notes.
The financial statements are in the process of being audited.

Notes to the Financial Statements for the Year Ended 30 June 2024

Note 1 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 three 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 three reportable business segments of the Group are:

- **Site Skills Training - International** operates a 300,000m² 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.
- **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 the Group’s campuses in Australia through the Site Institute brand.

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 2024 continued

Note 1 Operating segments continued

Year ended 30 June 2024

	Site Skills Training (International) \$	Energy Services \$	Tertiary Education \$	Total Segments \$	Corporate and Eliminations \$	Total \$
Revenue from contracts with customers						
Revenue from contracts with customers - external customer	5,906,739	199,809	2,610,999	8,717,547	162,034	8,879,581
Revenue from contracts with customers - inter-segment	-	-	-	-	-	-
Total segment revenue	5,906,739	199,809	2,610,999	8,717,547	162,034	8,879,581
Segment net operating profit / (loss) before tax	(1,587,543)	(55,798)	(730,399)	(2,373,740)	(1,511,310)	(3,885,050)
Interest revenue	175	-	-	175	4,556	4,731
Interest expense	(32,824)	(114)	(132,591)	(165,529)	(178,024)	(343,553)
Depreciation and amortisation	(479,137)	-	(498,400)	(977,537)	(196,611)	(1,174,148)
EBITDA	(1,075,757)	(55,684)	(99,408)	(1,230,849)	(1,141,231)	(2,372,080)
Segment assets as at 30 June 2024	1,554,297	21,315	1,774,304	3,349,916	6,581,438	9,931,354
Segment liabilities as at 30 June 2024	777,926	88,192	2,124,365	2,990,483	8,240,588	11,231,071
Capital expenditure as at 30 June 2024	178,983	-	167,855	346,838	19,745	366,584

Year ended 30 June 2023

	Site Skills Training (International) \$	Energy Services \$	Tertiary Education \$	Total Segments \$	Corporate and Eliminations \$	Total \$
Revenue from contracts with customers						
Revenue from contracts with customers - external customer	3,713,144	553,114	2,286,231	6,552,489	365,204	6,917,693
Revenue from contracts with customers - inter-segment	-	-	-	-	-	-
Total segment revenue	3,713,144	553,114	2,286,231	6,552,489	365,204	6,917,693
Segment net operating profit / (loss) before tax	(236,178)	119,145	(284,728)	(401,761)	(3,205,071)	(3,606,832)
Interest revenue	4,576	-	-	4,576	3,298	7,874
Interest expense	(72,750)	(2,088)	(78,177)	(153,015)	(728,051)	(881,066)
Depreciation and amortisation	(387,587)	-	(188,353)	(575,940)	(465,154)	(1,041,094)
EBITDA	219,583	121,233	(18,198)	322,618	(2,015,164)	(1,692,546)
Segment assets as at 30 June 2023	3,762,469	46,036	1,218,520	5,027,025	7,401,089	12,428,114
Segment liabilities as at 30 June 2023	656,080	70,771	1,698,940	2,425,791	6,856,703	9,282,494
Capital expenditure as at 30 June 2023	90,137	-	52,738	142,875	10,363	153,238

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 1 Operating segments continued

	Consolidated Group	
	2024	2023
	\$	\$
Reconciliation of loss		
Segment loss	(2,373,740)	(401,761)
Inter-company management fees	780,580	786,669
Head office occupancy costs	(10,942)	(13,609)
Corporate employee benefits including Directors costs	(1,089,226)	(1,017,742)
Legal accounting and other professional fees	(243,414)	(371,985)
Travel costs	(69,718)	(93,337)
Depreciation and amortisation expense	(196,611)	(465,154)
Finance costs	(179,915)	(637,830)
Fair value gain/loss of financial Liabilities at fair value	(157,347)	5,055
Other corporate costs	(506,751)	(1,762,342)
Corporate income	162,034	365,204
Group profit (loss) before tax from continuing operations	(3,885,050)	(3,606,832)
Reconciliation of assets		
Segment operating assets	3,349,916	5,027,025
Discontinued operations	-	824,811
<i>Corporate assets</i>		
Cash at bank	62,900	104,411
Security deposits	115,969	260,221
Investments accounted for using the equity method	6,180,813	6,400,503
Other assets	221,756	635,954
Total assets per statement of financial position	9,931,354	13,252,925
Reconciliation of liabilities		
Segment operating liabilities	2,990,483	2,425,791
Discontinued operations	-	1,403,051
<i>Corporate liabilities</i>		
Corporate trade payables	2,311,100	6,174,087
Interest bearing debt	59,026	275,674
Other financial liabilities	-	3,530
Other liabilities	5,870,462	403,412
Total liabilities per statement of financial position	11,231,071	10,685,545

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 1 Operating segments continued

Disaggregation of revenues

The group derives its revenue from the transfer of services over time and at a point in time. The following table provided a disaggregation of revenue by major revenue class and by geographical location.

Year ended 30 June 2024

	Australia	Asia	Corporate and Eliminations	Total
	\$	\$	\$	\$
Revenue from contracts with customers - external				
Course fees	2,810,808	5,226,809	-	8,037,617
Placement services	-	6,226	-	6,226
Project income	-	530,973	-	530,973
Other revenue	-	142,731	162,034	304,765
Total revenue from contracts with customers - external	2,810,808	5,906,739	162,034	8,879,581
Revenue from contracts with customers - inter segment	-	-	-	-
Total revenue from contracts with customers	2,810,808	5,906,739	162,034	8,879,581
Timing of revenue recognition				
Goods transferred at a point in time	-	-	4,705	4,705
Services transferred over time	2,810,807	5,906,739	157,330	8,874,876
Total revenue from contracts with customers	2,810,807	5,906,739	162,035	8,879,581

Year ended 30 June 2023

	Australia	Asia	Corporate and Eliminations	Total
	\$	\$	\$	\$
Revenue from contracts with customers - external				
Course fees	2,553,346	3,459,571	114,683	6,127,600
Placement services	-	72,394	-	72,394
Government subsidies received	-	-	(16,241)	(16,241)
Project income	130,008	155,991	-	285,999
Other revenue	-	181,179	266,762	447,941
Total revenue from contracts with customers - external	2,683,354	3,869,135	365,204	6,917,693
Revenue from contracts with customers - inter segment	-	-	-	-
Total revenue from contracts with customers	2,683,354	3,869,135	365,204	6,917,693
Timing of revenue recognition				
Goods transferred at a point in time	-	-	9,364	9,364
Services transferred over time	2,683,353	3,869,136	355,840	6,908,329
Total revenue from contracts with customers	2,683,353	3,869,136	365,204	6,917,693

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 2 Earnings per share

	Consolidated Group	
	2024	2023
	\$	\$
a) Earnings used in calculating earnings per share		
<i>For basic and diluted earnings per share:</i>		
Net loss excluding discontinued operations expense attributable to ordinary equity holders of the parent	(3,822,330)	(3,898,550)
Net loss attributable to ordinary equity holders of the parent	(3,978,170)	19,220,289
b) Weighted average number of shares		
Weighted average number of ordinary shares for basic and diluted earnings per share	No. 2,603,606,215	No. 1,271,971,506
c) (Loss) / earnings per share (cents)		
Loss per share excluding discontinued operations attributable to the ordinary equity holders of the parent	(0.15)	(0.31)
Loss per share attributable to the ordinary equity holders of the parent	(0.15)	1.51

Options outstanding are anti-dilutive and therefore were not considered in the calculation of diluted earnings per share for the year ended 30 June 2024 and 2023.

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

	Consolidated Group	
	2024	2023
	\$	\$
Net profit /(loss) from discontinued operations attributable to ordinary equity holders of the parent	(155,840)	23,118,839

Note 3 Revenue from contracts with customers from continuing operations

	Consolidated Group	
	2024	2023
	\$	\$
Revenue from continuing operations		
Course fees	8,037,617	6,127,600
Placement services	6,226	72,394
Government support and subsidies	-	(16,241)
Project income	530,973	285,999
Other revenue	304,765	447,941
	8,879,581	6,917,693

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 4 Expenses from continuing operations

	Note	Consolidated Group 2024 \$	2023 \$
Employee benefits expense			
Wages and salaries		4,377,112	3,477,654
Superannuation expense		250,672	222,365
Payroll tax and workers compensation		77,560	76,467
Changes in provisions for annual and long-service leave		70,127	119,540
Other employment expenses		133,123	135,425
		4,908,594	4,031,451
Other expenses			
Legal, accounting and other professional fees		371,642	692,036
Travel & accommodation		158,301	208,185
Consultants cost		423,611	505,391
Administrative expenses		1,000,529	820,204
		1,954,083	2,225,816
Finance costs			
Interest expense - third parties		222,374	489,534
Interest expense - related parties		-	291,402
Interest expense - lease liabilities	8	121,178	102,293
Facilities fee		1,892	(2,163)
		345,444	881,066
Depreciation and amortisation			
Depreciation of property, plant & equipment	7	539,955	456,269
Amortisation of intangible assets	7	2,414	1,114
Depreciation of right-of-use assets	8	631,779	583,711
		1,174,148	1,041,094

Note 5 Taxation

	Consolidated Group 2024 \$	2023 \$
a) Income tax expense		
The major components of income tax expense are:		
<i>Statement of profit or loss and other comprehensive income</i>		
<i>Current income tax</i>		
Adjustments in respect of current income tax of previous years	-	(1,227)
<i>Deferred income tax</i>		
Relating to origination and reversal of timing differences	(141,822)	432,971
Income tax expense / (benefit) reported in the statement of profit or loss and other comprehensive income	(141,822)	431,744
Income tax expense is attributable to		
Profit (loss) from continuing operations	(62,720)	112,771
Profit (loss) from discontinued operations	(79,102)	318,974
	(141,822)	431,745
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Total loss before income tax	(4,119,987)	19,652,017
At the parent entity's statutory income tax rate of 30% (2023 - 30%)	(1,235,996)	5,895,605
Differential in overseas tax rate to Australian tax rate	(253,827)	432,972
Non-assessable income	(1,656,210)	(1,863,117)
Non-deductible expenses	2,128,105	1,749,462
Utilisation of previously unrecognised tax losses	-	(5,781,951)
Deferred tax asset not recognised	876,106	-
Income tax expense	(141,822)	432,971

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 5 Taxation continued

A deferred tax asset has not been recognised for unused tax losses amounting to \$2,920,353 (tax effected: \$876,106).

c) Deferred tax

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2024	2023	2024	2023
	\$	\$	\$	\$
Accrued expenses	230,144	124,477	(105,667)	429,372
Superannuation payable	22,122	17,344	(4,778)	(471)
Provision for leave balance	156,904	135,866	(21,038)	(35,862)
Provision for impairment of receivables	9,000	13,500	4,500	-
Provision for re-credits	-	-	-	23,717
Plant and Equipment under lease	55,183	40,345	(14,838)	26,688
Other foreign entity deferrals	3,575	3,574	(1)	(10,473)
Deferred tax benefit			(141,822)	432,971
Net deferred tax assets	476,928	335,106		

Reconciliation of net deferred tax asset / (liability)

	2024	2023
	\$	\$
As of 1 July	335,106	767,993
Opening balance adjustment	-	84
Tax income during the period recognised in profit or loss	141,822	(432,971)
As at 30 June	476,928	335,106

Note 6 Trade and other receivables

	Consolidated Group	
	2024	2023
	\$	\$
CURRENT		
Receivables from contracts with customers	556,936	21,884,971
Allowances for expected credit losses	(97,093)	(21,048,710)
	459,843	836,261
Other receivables	528,137	102,763
Total current trade and other receivables	987,980	939,024

Consolidated Group

	Trade receivables - Days past due					
	Total	0-30 days	31-60 days	61-90 days	+91 days	Discontinued Operation
30 June 2024						
Expected credit loss rate		1.2%	4.0%	14.0%	18.5%	
Estimated total gross carrying	556,936	154,006	107,677	19,832	275,421	-
Expected credit loss	97,093	1,896	4,307	2,776	88,114	-
30 June 2023						
Expected credit loss rate		2.0%	4.0%	14.0%	18.5%	
Estimated total gross carrying	21,884,971	529,031	48,852	26,855	21,280,233	20,977,645
Expected credit loss	21,048,710	10,400	1,967	3,751	21,032,592	20,977,645

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 6 Trade and other receivables continued

Movement in the provision for impairment

	Consolidated Group	
	2024	2023
	\$	\$
Opening balance – calculated under AASB 9	21,048,710	21,022,645
Increase/(reversal) of loss allowance recognised in profit or loss	26,028	26,065
Amounts written off	(20,977,645)	-
Foreign Exchange movement	-	-
Closing Balance	97,093	21,048,710

Note 7 Property, plant and equipment & Intangible assets

	Consolidated Group	
	2024	2023
	\$	\$
Plant and equipment		
Leasehold improvements		
At cost	7,630,090	8,172,003
Accumulated depreciation and impairment	(7,425,202)	(7,206,676)
Net carrying amount - leasehold improvements	204,888	965,327
Capital works in progress		
At cost	296,234	1,893,206
Computer equipment		
At cost	813,566	802,142
Accumulated depreciation and impairment	(774,398)	(775,212)
Net carrying amount - computers	39,169	26,930
Furniture and fittings		
At cost	3,807,911	2,215,118
Accumulated depreciation and impairment	(3,777,129)	(2,175,941)
Net carrying amount - furniture and fittings	30,781	39,177
Vehicles		
At cost	228,890	241,227
Accumulated depreciation	(228,890)	(241,227)
Net carrying amount - vehicles	-	-
Total property, plant and equipment	571,072	2,924,640
Intangibles		
Training licences and course material		
Cost	622,463	626,136
Accumulated amortisation and impairment	(613,633)	(624,076)
Net carrying amount - Training licences and course material	8,830	2,060
Total intangible assets	8,830	2,060
Total Property, Plant and Equipment & Intangible assets	579,902	2,926,700

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 7 Property, plant and equipment & Intangible assets continued

(a) Movements in carrying amounts

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

	Leasehold Improvements	Capital Works in Progress	Computers	Furniture & Fittings	Vehicles	Training licences courses	Total
	\$	\$	\$	\$	\$		\$
Consolidated Group:							
Balance at 30 June 2022	1,261,610	1,758,687	55,440	57,220	17,977	2,034	3,152,968
Additions	50,761	82,140	10,363	8,834	-	-	152,098
Disposals	-	-	-	-	-	-	-
Depreciation and amortisation expense	(371,862)	-	(38,873)	(27,682)	(17,852)	1,140	(455,129)
Exchange rate differences	24,818	52,379	-	805	(125)	(1,114)	76,763
Balance at 30 June 2023	965,327	1,893,206	26,930	39,177	-	2,060	2,926,700
Additions	-	318,650	32,115	6,646	-	9,170	366,581
Transfers - in (out)	-	(1,706,588)	-	1,706,588	-	-	-
Disposals	(25,749)	-	-	-	-	-	(25,749)
Depreciation and amortisation expense	(499,766)	-	(19,879)	(20,310)	-	(2,414)	(542,369)
Impairment expense	(229,280)	-	-	(1,699,979)	-	-	(1,929,259)
Exchange rate differences	(5,644)	(209,034)	3	(1,340)	-	13	(216,002)
Balance at 30 June 2024	204,888	296,234	39,169	30,782	-	8,830	579,902

Note 8 Leased assets and leased liabilities

Lease assets

	Consolidated Group	
	2024	2023
	\$	\$
Right-of-use assets		
Buildings under lease arrangements		
At cost	1,543,936	3,250,741
Accumulated depreciation and impairment	(581,595)	(2,370,657)
	962,341	880,084
Total carrying amount of leased assets	962,341	880,084

Movements in carrying amounts for each class of right-of-use asset between the beginning and the end of the current financial year are as follows:

	Land	Buildings	Total
	\$	\$	\$
Balance at 30 June 2022	2,812,839	844,986	3,657,825
Additions	-	607,497	607,497
Depreciation	(105,815)	(583,711)	(689,526)
Transfers (out) - sale of subsidiary	(2,795,748)	-	(2,795,748)
Exchange rate differences	88,724	11,312	100,036
Balance at 30 June 2023	-	880,084	880,084
Additions	-	713,858	713,858
Depreciation	-	(631,779)	(631,779)
Exchange rate differences	-	178	178
Balance at 30 June 2024	-	962,341	962,341

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 8 Leased assets and leased liabilities continued

Lease liabilities		Consolidated Group	
		2024	2023
		\$	\$
Lease liabilities - current			
Buildings		520,926	487,720
Motor vehicles		-	860
		520,926	488,580
Lease liabilities - non-current			
Buildings		616,701	574,496
		616,701	574,496
Total carrying amount of lease liabilities		1,137,627	1,063,076

Movements in lease liabilities for each class of right-of-use asset between the beginning and the end of the current financial year are as follows:

	Land	Buildings	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 30 June 2022	6,164,575	1,293,361	10,994	7,468,930
Additions	-	607,497	-	607,497
Lease repayments	(334,389)	(948,932)	(10,343)	(1,293,664)
Interest	260,626	102,083	209	362,918
Transfers (out) - sale of subsidiary	(6,503,486)	-	-	(6,503,486)
Exchange rate differences	412,674	8,207	-	420,881
Balance at 30 June 2023	-	1,062,216	860	1,063,076
Additions	-	713,858	-	713,858
Lease repayments	-	(759,170)	(860)	(760,030)
Interest	-	121,178	-	121,178
Exchange rate differences	-	(455)	-	(455)
Balance at 30 June 2024	-	1,137,627	-	1,137,627

In addition to the depreciation and interest disclosed above, the Group recognised the following expenses relating to leases:

	2024	2023
	\$	\$
Expense relating to leases of 12-months or less (for which a lease asset and lease liability has not been recognised)	17,585	(12,000)
Expense relating to leases of low value assets (for which a lease asset and lease liability has not been recognised)	69,637	(73,871)

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 9 Investments accounted for using the equity method

The fair value of the equity interest retained by the Group (38.4%) is based on the independent valuation disclosed in the Independent Expert's Report prepared by Advisory Partner Connect Pty Ltd.

The Group's share of net loss in SGH for the 2024 year totalled \$373,357 and was accounted for using the equity accounting method.

Movements to the fair value of equity interest retained by the Group between the beginning and the end of the period are as follows:

	2024 \$	2023 \$
Initial Fair value on date of sale	-	6,354,045
Opening balance, 1 July 2023	6,400,503	-
Investment contribution	153,666	225,406
Share of net loss	(373,357)	(178,948)
Closing investment value	6,180,812	6,400,503

Note 10 Trade and other payables

Current

Unsecured liabilities

Trade payables
Employee related payables
Accruals
Other payables
Total trade and other payables

Consolidated Group	
2024 \$	2023 \$
833,809	1,064,407
1,734,126	1,484,716
991,222	722,192
115,340	95,059
3,674,497	3,366,374

Non-current

Unsecured liabilities

Trade payables
Accruals
Total trade and other payables

Consolidated Group	
2024 \$	2023 \$
213,532	4,581,310
-	1,013,773
213,532	5,595,083

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 11 Contract liabilities

The amount of the contract liability recognised at the beginning of the period was recognised as revenue during the 2024 year. All contract liabilities outstanding at 30 June 2024 are expected to be recognised as revenue within the next twelve months.

	Consolidated Group	
	2024	2023
	\$	\$
Unearned revenue	91,566	48,945
	Consolidated Group	
	2024	2023
	\$	\$
At 1 July	48,945	43,305
Deferred during the year	1,518,216	372,376
Released to statement of profit or loss	(1,475,595)	(366,736)
At 30 June	91,566	48,945

Note 12 Provisions

	Consolidated Group	
	2024	2023
	\$	\$
Current		
Employee - annual leave	307,985	265,477
Provision for long service leave	-	134,619
Other	5,526,955	105,514
	5,834,940	505,610
	Consolidated Group	
	2024	2023
	\$	\$
Non-current		
Provision for long service leave	215,028	52,791
Provision for pension liability	63,881	50,136
	278,909	102,927

Pension liability

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. The defined benefit plan is unfunded and covers most permanent employees.

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 13 Fair value measurement of financial instruments

The carrying values of all financial instruments approximate their fair values at end of reporting period.

At 30 June 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Financial assets at fair value through the profit or loss				
Contingent consideration receivable (current)	-	-	-	-
Total financial assets	-	-	-	-
Financial liabilities				
Financial liabilities at fair value through the profit or loss				
Derivatives (current)	-	-	-	-
Total financial liabilities	-	-	-	-
At 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Financial assets at fair value through the profit or loss				
Contingent consideration receivable (current)	-	-	777,297	777,297
Total financial assets	-	-	777,297	777,297
Financial liabilities				
Financial liabilities at fair value through the profit or loss				
Derivatives (current)	-	3,530	-	3,530
Total financial liabilities	-	3,530	-	3,530

(a) Valuation techniques used to determine fair values

Specific valuation techniques used to value the financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- for foreign currency options – option pricing models (eg Black-Scholes model), and
- for other financial instruments - discounted cash flow analysis.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the ended 30 June 2024.

	Contingent consideration receivable \$	Total \$
Opening balance 1 July 2023	777,297	777,297
Disposals	(938,800)	(938,800)
Gains (losses) recognised through the profit or loss	161,503	161,503
Closing balance 30 June 2024	-	-

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 14 Issued Capital

	Consolidated Group	
	2024	2023
	\$	\$
2,603,606,215 fully paid ordinary shares; 1,116,000 partly paid ordinary shares (2023: 2,603,606,215 fully paid ordinary shares; 1,116,000 partly paid ordinary shares)	91,558,773	91,558,773
Cost of capital raising	(2,775,050)	(2,754,252)
	<u>88,783,723</u>	<u>88,804,521</u>

(a) Ordinary Shares

	No. Shares	\$
30 June 2022 share capital	842,361,127	83,719,540
Share issue - 03 August 2022	210,000,000	735,000
Share issue - 08 March 2023	250,000,000	750,000
Share issue - 03 May 2023	53,091,217	159,274
Share issue - 10 May 2023	680,242,217	2,040,726
Share issue - 19 May 2023	433,333,324	1,300,000
Share issue - 09 June 2023	134,578,330	403,735
Transaction costs relating to capital raising		(303,754)
30 June 2023 share capital	<u>2,603,606,215</u>	<u>88,804,521</u>
Transaction costs relating to capital raising		(20,798)
30 June 2024 share capital	<u>2,603,606,215</u>	<u>88,783,723</u>

(b) Options

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 2024 and 2023, the Group did not pay any dividends.

Note 15 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. Productivity Partners Pty Ltd has been classified as a discontinued operation and the company is no longer included in the 'Tertiary Education' segment of the segment note.

Notes to the Financial Statements for the Year Ended 30 June 2024 continued

Note 15 Discontinued operations continued

On 7 March 2022, the Group announced a transaction involving the sale of its subsidiary Site Group Holdings Pty Ltd ACN 121 485 729 (SGH). The sale was finalised on 23 November 2022 with the Group retaining a 38.4% interest in SGH, and an Investor Group holding the balance of 61.6%.

The Group has determined that it no longer controls SGH and it is deconsolidated from that date. As a result, the SGH operations have been classified as discontinued and the company is no longer included in the 'SST International' segment of the segment note.

Financial information relating to the discontinued operations is set out below.

	2024 \$	2023 \$
Revenue	-	3,214
Expenses	(234,940)	(1,121,383)
Profit / (loss) before income tax	(234,940)	(1,118,169)
Income tax expense	79,100	(318,974)
Profit / (loss) after income tax of discontinued operations	(155,840)	(1,437,143)
Gain / (loss) on sale of subsidiary after income tax	-	24,555,982
Profit / (loss) from discontinued operations	(155,840)	23,118,839

There is no other comprehensive income in the discontinued operations.

The net cash flows incurred by discontinued operations are as follows.

	2024 \$	2023 \$
Operating	-	(284,513)
Investing	-	(55,586)
Financing	-	-
Net cash outflow	-	(340,099)

Note 16 Events after the reporting period

Result of Appeal of Full Federal Court Judgement

On 16 August 2024, the High Court of Australia rejected the Group's appeal against the decision of the Full Federal Court of Australia that its subsidiary, Productivity Partners Pty Limited, engaged in conduct in breach of the Australian Consumer Law in proceedings commenced by the Australian Competition and Consumer Commission. The High Court of Australia also dismissed the appeal of Site. The matter will now proceed to a penalty hearing with the timing to be determined which is expected to be some time in 2025.

The level of penalties is not predetermined and will be determined through a further process before the court.

The Group has historically carried a \$5.5m non-current liability in relation to costs associated with finalising the Productivity Partners Pty Ltd matter. The Group estimates total penalties will be in line with this liability currently in the accounts.