SITE GROUP INTERNATIONAL LIMITED
ABN 73 003 201 910

ASX HALF-YEAR INFORMATION – 31 DECEMBER 2011

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Content	**Page**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Site Group International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

APPENDIX 4D
HALF-YEAR REPORT TO THE AUSTRALIAN STOCK EXCHANGE

Name of entity	Site Group International Limited
ABN	73 003 201 910
Half Year Ended	31 December 2011
Previous corresponding reporting period	31 December 2010

Results for Announcement to the Market

	$'000	**Percentage increase / (decrease) over previous corresponding period**
Revenue from ordinary activities	1,071	108% increase
Profit / (loss) from ordinary activities after tax attributable to members	(3,255)	37.0% decrease in loss
Net Profit / (loss) for the period attributable to members	(3,255)	37.0% decrease in loss

Dividends	**Amount per security**	**Franked amount per security**
Final dividend	Nil	Not applicable
Interim dividend	Nil	
Record date for determining entitlements to the dividends (if any)	Not applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer to director's report on page 5.

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	5.16cents	8.56 cents

APPENDIX 4D
HALF-YEAR REPORT TO THE AUSTRALIAN STOCK EXCHANGE

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Site Skills Group Pty Ltd
Date control gained	15 November 2011
Contribution by entity to Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	832
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Not applicable

Foreign Entities Accounting Framework

Same accounting principles have been applied for the subsidiary operating in the Philippines as the Australian entities.

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	X
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:			

APPENDIX 4D
HALF-YEAR REPORT TO THE AUSTRALIAN STOCK EXCHANGE

Attachments Forming Part of Appendix 4D

Attachment #	**Details**
Signed by (Director / Company Secretary)	
Print Name	Vernon Wills
Date	27 February 2012

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2011.

Directors

The names of the directors of the Company in office during the half-year and until the date of this report are:

Directors:
- Vernon Wills
- Nicasio Alcantra
- Darryl Somerville (appointed 02/08/2011)
- Shaun Scott (appointed 02/08/2011)
- David Hutchison (resigned 31/07/2011)

Principal Activities

The principal activity of the consolidated entity during the half-year was the provision of vocational education. There has been no significant change in the principal activity during the year.

Review of operations and results

For the half-year ended 31 December 2011, Site Group International Limited reported a loss after tax of $3,254,811 compared to a $5,168,910 loss in the previous corresponding period. Operating loss before income tax was $3,250,329 for the period (2010: $5,167,075).

Total revenue from operations was $1,070,689 (2010: $514,606).

This trading period has seen the acquisition of the Sun Coast Training and Accreditation business in Queensland and the agreed acquisition of CYBA Services in the Philippines. These businesses will greatly enhance both the breadth and scope of the Group's operations.

Site has negotiated leases for two training centres, one in Gladstone and the other in Perth. These centres are ideally located for the strategic delivery of training to mining, maintenance and construction sectors. Both locations will be fully operational by April 2012.

Capital raising

On 27th October, 2011 Site successfully completed a convertible note issue. All conversion notices were received within two weeks after issue of the convertible notes in accordance with the terms of the issues. Site used the opportunity to raise funds through a convertible note to meet its obligations and take advantage of expansion opportunities which had become available.

Site conducted a fully underwritten rights issue on similar terms to that of the convertible note so that existing shareholders were provided with an opportunity to participate. The non-renounceable rights issue was concluded in December 2011 and was well supported by shareholders.

Dividends

Subsequent to 31 December 2011, the Directors have not recommended the payment of an interim dividend.

Earnings (loss) per share

Basic earnings (loss) per share for the financial half-year is (2.27) cents (2010: (5.39) cents).

Auditor independence

The Auditor's Independence Declaration to the Directors of Site Group International Limited, which forms part of the Directors' Report, is set out on page 6 of this report.

Signed in accordance with a resolution of the Directors this 27th day of February 2012.

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) ....
) Vernon Wills - Director

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Auditor's Independence Declaration to the Directors of Site Group International Limited

In relation to our review of the financial report of Site Group International Limited for the half-year ended 31 December 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Mark Phelps

Mark Phelps
Partner
Adelaide
27 February 2012

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To the members of Site Group International Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Site Group International Limited, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, other selected explanatory notes, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of Site Group International Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the conclusion expressed above, we draw attention to the following matter. As a result of the matters described in Note 1: Going Concern to the financial report, there is significant uncertainty whether the group will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business in the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

Ernst & Young

Ernst & Young

Mark Phelps

Mark Phelps
Partner
Adelaide
27 February 2012

DIRECTORS DECLARATION

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

In the opinion of the directors:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including :

  (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2011 and of their performance as represented by the results of their operations and their cash flows for the half-year ended on that date; and

  (ii) compliance with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and

(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.

On behalf of the Board.

Vernon Wills
Director
27 February 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

		Consolidated Group	
	Note	Half-year ended 31 Dec 2011 $	Half-year ended 31 Dec 2010 $
Continuing operations			
Revenue		1,070,689	514,606
Interest Income - external		10,615	-
Interest Income - related parties		1,163	-
Cost of sales		(534,289)	(390,819)
Gross Profit (Loss)		548,178	123,787
Employee benefits expense		(1,715,175)	(1,415,832)
Depreciation and amortisation expense		(274,097)	(218,880)
Finance costs		(35,270)	(8,591)
Other expenses		(1,654,367)	(2,139,850)
Occupancy expenses		(440,007)	(341,650)
Foreign currency loss / (gain)		320,409	(1,166,059)
Loss before Tax		(3,250,329)	(5,167,075)
Income Tax benefit / (expense)		(4,482)	(1,835)
Loss for the period from continuing operations		(3,254,811)	(5,168,910)
Loss for the period		(3,254,811)	(5,168,910)
Other Comprehensive Income			
Translation of foreign operations		(191,404)	338,666
Employee share benefits		-	193,394
Total Other Comprehensive Income		(191,404)	532,060
Total Comprehensive Income		(3,446,215)	(4,636,850)
Earnings (loss) per share			
Basic and diluted (cents per share)		(2.27)	(5.39)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	Consolidated Group	
		Half-year ended 31 Dec 2011 $	Year ended 30 Jun 2011 $
Assets			
Current Assets			
Cash and cash equivalents		3,984,016	409,449
Trade and other receivables		387,154	171,828
Inventories		79,043	99,515
Other assets		27,066	114,977
Total Current Assets		4,477,279	795,769
Non-Current Assets			
Property, plant and equipment		5,296,972	4,810,628
Intangible assets		638,155	-
Other non-current assets		417,461	324,170
Total Non-Current Assets		6,352,588	5,134,798
Total Assets		10,829,867	5,930,567
Liabilities			
Current Liabilities			
Trade and other payables		2,628,646	1,937,543
Current tax liabilities		4,469	8,502
Provisions		154,439	112,756
Total Current Liabilities		2,787,554	2,058,801
Non-Current Liabilities			
Other provisions		19,426	13,036
Total Non-Current Liabilities		19,426	13,036
Total Liabilities		2,806,980	2,071,837
Net Assets		8,022,887	3,858,730
Equity			
Issued capital		24,223,706	16,587,918
Reserves		601,442	818,262
Retained earnings		(16,802,261)	(13,547,450)
Total Equity		8,022,887	3,858,730

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Share Capital		Reserves		
	Ordinary	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Total
Consolidated Group	$	$	$	$	$
Balance at 1 July 2010	8,473,497	(3,647,546)	(71,665)	141,248	4,895,534
Comprehensive income					
Profit for the year		(9,899,904)			(9,899,904)
Other comprehensive income for the year			540,012		540,012
Total comprehensive income for the year	-	(9,899,904)	540,012	-	(9,359,892)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year	6,815,000				6,815,000
Transaction costs	(519,103)				(519,103)
Liabilities Converted to Equity	324,224				324,224
Shares issued on reverse acquisition of Lazco Ltd	1,494,300				1,494,300
Share-based Payments				208,667	208,667
Total transactions with owners and other transfers	8,114,421	-	-	208,667	8,323,088
Balance at 30 June 2011	16,587,918	(13,547,450)	468,347	349,915	3,858,730
Balance at 1 July 2011	16,587,918	(13,547,450)	468,347	349,915	3,858,730
Comprehensive income					
Profit for the period		(3,254,811)			(3,254,811)
Other comprehensive income for the year			(191,404)		(191,404)
Total comprehensive income for the year	-	(3,254,811)	(191,404)	-	(3,446,215)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period	8,223,200				8,223,200
Shares to be issued	70,000				70,000
Transaction costs	(657,412)				(657,412)
Share-based Payments				(25,416)	(25,416)
Total transactions with owners and other transfers	7,635,788	-	-	(25,416)	7,610,372
Balance at 31 December 2011	24,223,706	(16,802,261)	276,943	324,499	8,022,887

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated Group	
	Half-year ended 31 Dec 2011 $	Half-year ended 31 Dec 2010 $
Cash Flows From Operating Activities		
Receipts from customers	877,505	1,038,500
Payments to suppliers and employees	(3,765,580)	(2,343,493)
Interest received	11,778	8,803
Finance costs	(35,270)	(8,591)
Income tax paid	(8,515)	(4,543)
Net cash provided by/(used in) operating activities	(2,920,081)	(1,309,324)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(78,432)	(321,961)
Payment for business/subsidiary, net of cash acquired	(1,000,000)	670,000
Net cash provided by/(used in) investing activities	(1,078,432)	348,039
Cash Flows From Financing Activities		
Proceeds from issue of shares	8,223,200	6,675,000
Transaction Costs on Shares	(657,412)	(70,185)
Net cash provided by/(used in) financing activities	7,565,788	6,604,815
Net increase(decrease) in cash held	3,567,274	5,643,530
Effect of exchange rates on cash holdings in foreign currencies	7,293	(1,166,059)
Cash and cash equivalents at beginning of financial year	409,449	55,055
Cash and cash equivalents at end of financial year	3,984,016	4,532,526

Notes to the Financial Statements
For The Half-Year Ended 31 December 2010

1 Significant accounting policies

Reporting entity
Site Group International Limited is a company domiciled in Australia. The consolidated interim financial report of the company as at and for the six months ended 31 December 2011 comprises the company and its subsidiaries (together referred to as 'the consolidated entity').

Statement of compliance
The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The consolidated interim financial report was approved by the Board of Directors on 27 February 2012.

Basis of preparation
The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

The adoption of these amendments has not resulted in any major changes to the Groups accounting policies and has not had any effect on the financial position and performance of the Group for the half-year ended 31 December 2011, however, may have an impact on the disclosures for the annual financial report for the year ended 30 June 2012.

Estimates
The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2011.

Going Concern
The half year financial report has been prepared on the basis that the consolidated entity can 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 six months to 31st December 2011 the company continued to incur trading losses and net cash outflows relating to the ongoing start-up of operations both in Australia and the Philippines - however at a lower rate than in prior periods. Current forecasts of operational performance and capital expenditure requirements, for the start-up of new training facilities, indicate that this situation will continue in the second half of the 2012 financial year with cash receipts from training revenue not covering the cash outflows from operations and capital expenditure. Successful completion of the facilities in Gladstone, Perth and additions to Clark will provide a platform for the company being self-funding in the 2013 financial year. As at 31 December 2011, the company had cash reserves of $3,984,016 which based on cash requirements in the six months to 31 December 2011 will be sufficient to meet the company's expected cash funding requirements in the short and medium term.

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 entity will meet its operational cash flow forecasts; continue to have the support of its investors and raise sufficient funds (if needed) to meet the company's anticipated cash flow requirements so that it can meet its obligations as and when they fall due.

In the event that the company does not meet its forecast operational cash flows or, if required, raise sufficient capital to meet its cash flow objectives there is material uncertainty whether the entity will continue as a going concern and as a result whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the company and/or consolidated entity not continue as going concerns

2 Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Chief Executive Officer for the purposes of resource allocation and assessment of performance is more specifically focused on the geographic location of customers. The principal geographical locations of customers are Australia and the Philippines

The Group operates primarily in the vocational training and management services industry in Australia and the Philippines.

The following is an analysis of the revenue and results for the period, analysed by reportable geographical segment, for the period under review.

	Segment revenue Half-year ended				Segment result Half-year ended	
	31 Dec 2011 $'000		31 Dec 2010 $'000		31 Dec 2011 $'000	31 Dec 2010 $'000
Continuing operations						
Australia:					**(1,326,540)**	**(1,983,179)**
- External customer	872,162		229,829			
- Inter-segment	481,646	**1,353,808**	412,510	**642,339**		
The Philippines:					**(2,251,999)**	**(1,836,806)**
- External customer	210,305		284,777			
- Inter-segment	-	**210,305**	-	**284,777**		
Total Segments		**1,564,113**		**927,116**	**(3,578,539)**	**(3,819,985)**
Adjustments and eliminations		(481,646)		(412,510)	323,728	(1,348,925)
Consolidated revenue		**1,082,467**		**514,606**		
Loss for the period					**(3,254,811)**	**(5,168,910)**

The following is an analysis of the Group's assets by reportable geographic segment:

	31 Dec 2011 $'000	30 Jun 2011 $'000
Continuing operations		
Australia	17,688,757	10,846,242
The Philippines	5,442,651	5,402,540
Total segment assets	23,131,408	16,248,782
Adjustments and Eliminations	(12,301,541)	(10,318,215)
Consolidated Assets	10,829,867	5,930,567

3 Issued Capital

Issued capital as at 31 December 2011 amounted to $24,223,706 (212,448,482 ordinary shares).

During the period the following movements in contributed equity occurred.

Movement in ordinary shares on issue	***No. Shares***	***$***
At 1 July 2008	-	-
Share issue on 29 May 2009	40,000,000	1
Shareholder equity contribution		53,496
At 30 June 2009	**40,000,000**	**53,497**
Share issue on 31 July 2009	32,000,000	4,800,000
Shareholder equity contribution		3,320,000
Exercise of options on 19 June 2010	2,000,000	300,000
At 30 June 2010	**74,000,000**	**8,473,497**
Share issue on 30 July 2010	18,221,121	3,644,224
Share issue on 6 October 2010	267,480	53,496
Reversal of shareholder equity contribution on issue of share capital		(53,496)
Reversal of shareholder equity contribution on issue of share capital		(3,320,000)
Share issue on 11 October 2010	8,375,000	1,675,000
Share capital of Site	**100,863,601**	**10,472,721**
Share capital of Lazco	7,471,000	1,494,300
Share issue on 16 December 2010	25,000,000	5,000,000
Share issue on 16 December 2010	700,000	105,000
Transaction costs relating to capital raising	-	(484,103)
At 30 June 2011	**134,035,101**	**16,587,918**
Conversion of notes to shares 4 November 2011	18,710,000	1,871,000
Conversion of notes to shares 19 December 2011	21,517,106	2,151,710
Rights Share Issue on 22 December 2011	38,186,275	4,200,490
Transaction costs relating to capital raising		(657,412)
Shares to be issued on purchase of Sun Coast		70,000
At 31 December 2011	**212,448,482**	**24,223,706**

- On 29 May 2009, 40,000,000 $0.000000025 shares were issued in return for cash.
- In FY09, expenses totalling $53,496 were paid on behalf of the business by an existing shareholder.
- On 31 July 2009, 32,000,000 $0.15 shares were issued for cash.
- In FY10, expenses totalling $3,320,000 were paid on behalf of the business by an existing shareholder. These shareholder equity contributions were converted into ordinary shares in FY11.
- On 19 June 2010, 2,000,000 shares were issued on the exercise of 2,000,000 $0.15 options.
- In FY11, shareholder loans totalling $324,224 were provided to the parent entity for the purpose of funding the day to day operation of the business. On 30 July 2010, the board of directors resolved to convert these loans (in addition to the $3,320,000 previously loaned by shareholders) into 18,221,121 $0.20 ordinary shares.
- On 6 October 2010, the board of directors resolved to convert shareholder loans totalling $53,496 into 267,480 $0.20 ordinary shares.
- On 11 October 2010, 8,375,000 $0.20 shares were issued for cash.
- On 16 December 2010, Lazco Ltd acquired Site Group Holdings Pty Ltd through the issue of 7,471,500 $0.20 shares. Pursuant to the terms of AASB 3 ‘Business combinations,’ this is a reverse acquisition. Site Group Holdings Pty Ltd is the accounting acquirer whereas Lazco Ltd is the legal acquirer.
- On 16 December 2010, 25,000,000 $0.20 public offer shares were issued for cash.
- On 16 December 2010, 700,000 $0.20 advisor shares were issued for services rendered in relation to the acquisition of Site Group Holdings Pty Ltd and the issuance of public offer shares. Of the total costs of these shares, $35,000 relates to the issue of equity instruments. These costs were treated as a deduction from equity.
- Transaction costs of $484,103 were incurred which related to the issue of equity instruments. These costs are treated as a deduction from equity.
- On 27 October 2011 a convertible note issue was successfully completed.
- On 4 November 2011 notes were converted into 18,710,000 shares at $0.10 cents

- On 19 December 2011 notes were converted into 21,517,106 shares at $0.10 cents
- On 22 December 2011 a rights issues was completed with the issue of 38,186,275 share at $0.11 cents
- Transaction cost of $657,412 were incurred which related to the convertible notes and rights issues. These costs are treated as a deduction from equity.

4 Business Combinations

Acquisition of Sun Coast - Site Skills Group Pty Ltd

On 15 November 2011, the Group acquired assets and liabilities from Sun Coast Training and Accreditation and established a new subsidiary, Site Skills Group Pty Ltd, to hold these assets and liabilities. The acquisition was undertaken to secure the significant intellectual property in the form of licensed and accredited training courses held by Sun Coast Training and Accreditation. These courses will be delivered at Site Skills Group Pty Ltd's newly created training facilities in Gladstone and Perth. The acquisition has been accounted for using the acquisition method. The acquisition date fair value of acquired licences and course material is preliminary and may be adjusted as a result of obtaining a formal valuation within 12 months in accordance with AASB 3 Business Combinations. The half-year financial report includes the results of Site Skills Group Pty Ltd for the period from the acquisition date.

The provisional fair value of the identifiable assets and liabilities of Sun Coast as at the date of acquisition was:

	Fair value recognised on acquisition
	$
Assets	
Property, plant and equipment	524,856
Intangible assets (licences and course material)	654,000
	1,178,856
Liabilities	
Employee provisions	(67,000)
Payables	(41,856)
	(108,856)
Provisional fair value of identifiable net assets	1,070,000
Goodwill arising from acquisition	-
Purchase consideration	**1,070,000**

	Unaudited
	$
Acquisition date fair value of purchase consideration transferred:	
Shares in Site Group International Limited, at fair value	70,000
Cash paid	1,000,000
Total consideration	**1,070,000**
Net cash acquired with the subsidiary	-
Cash paid	(1,000,000)
Net cash outflow	**(1,000,000)**

From the date of acquisition, Site Skills Group Pty Ltd has contributed $219,119 of revenue and $832 of net profit before tax of the Group. The impact on revenue and profit if the combination had taken place at the beginning of the year is not determinable because separate information regarding revenues and expenses for the assets and liabilities acquired is not available.

The transaction costs of $27,672 have been expensed and are included in other expenses in the statement of comprehensive income and are part of operating cash flows in the statement of cash flows.

5 Subsequent events

The directors are not aware of any subsequent events which have a material impact on the financial statements.