

31 August 2021

## 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 2021

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### Media and Investors

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# Appendix 4E

(Unaudited)

# Site

## SITE GROUP INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 73 003 201 910

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE  
2021

## Report for the year ended 30 June 2021

This report includes results for Site Group International Limited and its controlled entities for the year ended 30 June 2021 (current period) compared with the year ended 30 June 2020 (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 2021. The Annual financial report is in the process of being audited.

### Key Information

#### Results for announcement to the market

	30-Jun		Change 21-20	
	2021	2020	%	
Revenue from ordinary activities	16,939,116	27,259,059	( 38%)	Decrease
Loss after tax from ordinary activities attributable to members	( 7,276,206)	( 10,264,692)	( 29%)	Decrease of loss
Net Loss attributable to members	( 7,276,206)	( 10,264,692)	( 29%)	Decrease of loss
EBITDA*	( 2,987,262)	( 5,476,962)	( 45%)	Decrease of loss
EBITDA before non recurring items	( 2,595,855)	( 4,380,962)	( 41%)	Decrease of loss

\*refer to pages below for EBITDA reconciliation to net profit after tax

#### Explanation of key information

Results for Site Group International Limited show a revenue line of \$16,939,116 compared to \$27,259,059 in the prior corresponding period. The earnings before interest, taxes, depreciation and amortisation (EBITDA) was a loss of \$2,987,262 compared to a loss of \$5,476,962 in the prior corresponding period.

On 26 February 2021, the group entered into an asset sale agreement for the sale of its Australian trades training facilities assets and training equipment. During the past 10 years Site Skills Training has provided skills training through approximately 200,000 courses to over 150,000 Australians in Industry.

However as announced on June 2018, as well as several subsequent announcements through late 2019 and early 2020, Site has been working on an optimisation and rationalisation plan for its Australian businesses with a stated intent to focus on its 300,000 sqm Clark, Philippine's land assets and a plan to drive the growth of its international operations.

As the first stage Site agreed with Competency Training Pty Ltd, to sell its Australian Site Skills Training assets as it focusses on the next stages being the development of its Clark property and major growth initiatives in the Middle East and North Africa (MENA) regions. The focus on MENA should result in significant growth for the international business and enable the company to strategically build on substantial new projects in addition to the growth of the existing Site Institute business in Australia.

Whilst the world continues to struggle with COVID-19 there are clear expectations that major new projects will be undertaken in the MENA region. The asset sale was completed on 12 April 2021, and as a result Site has a significantly reduced Australian management team and overhead with an increased focus on the international business.

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## 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 2021 the Group made a net loss of \$7,137,657 (2020: loss of \$10,264,692) and the cash outflow from operating activities for the year was \$1,791,755 (2020: \$3,771,644). At 30 June 2021, the Group had deficiencies in net assets and net current assets of \$14,408,087 and \$8,294,903 respectively. 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. Despite any material uncertainty that may cast doubt about the Group's ability to continue as a going concern, the directors have a reasonable expectation that the company and the group has adequate financial resources to continue as a going concern.

Significant matters identified by the directors include:-

- The reported loss is not considered by the directors to reflect the expected future performance of the group. These results were significantly impacted by the COVID-19 on industries around the world with substantially impacted face to face contact and revenues for the year.
- During the COVID-19 period the group has made significant changes to its international and domestic businesses to reflect the lessening revenues caused by the pandemic. This has included non-recurring restructuring costs, impairments and redundancies.
- The group has sold the Site Skills Training domestic assets which generated a cash payment of \$1.94m and potentially an additional \$1m milestone payable following FY22 and \$1.5m payable after FY23.
- The group continues to maintain the support of its existing debt providers to manage any maturing debt facilities within the best interest of the group.

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 the savings associated with restructuring and streamlining the corporate operations following completion of the asset sale of Site Skills Training in Australia;
- 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. This will allow for repayment of the current debt from the Lucerne facility as well as the recovery of significant funds to recoup the investment made to date by the group in positioning the project to realise its development potential. It is expected that the funding will be utilised by the company to meet its existing working capital requirements as well as funding the development program;
- 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, the company may not be able to meet its debts as and when they become due and payable, and it 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	(1.78) cents	(1.12) cents

### Control gained or lost over entities during the year

Control Gained: None

Control Lost: None

### Associates and joint ventures

The Group has no associates or joint ventures

### Other significant information

#### Commentary on the results for the year

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			30-Jun			30-Jun		
	2021	2020	Change 21-20	2019	Change 20-19	2018	Change 19-18		
	\$	\$	%	\$	%	\$	%		
Revenue	16,939,116	27,259,059	(38%)	30,913,290	(12%)	30,306,134	2%		
Net profit / (loss)	(7,276,206)	(10,264,692)	(29%)	(4,742,968)	116%	(6,042,212)	(22%)		
add back									
Depreciation and amortisation	2,454,742	2,580,836	(5%)	1,413,716	83%	2,033,252	(30%)		
Interest expense	1,909,423	2,182,472	(13%)	415,197	426%	55,744	645%		
Income tax (benefit) / expense	(60,316)	48,713	-	(1,514,919)	-	247,641	-		
deduct									
Interest income	14,905	24,291	(39%)	66,183	(63%)	16,197	309%		
EBITDA*	(2,987,262)	(5,476,962)	(45%)	(4,495,157)	22%	(3,721,772)	21%		
Non recurring items									
Impairment of PP&E, intangibles and right of use assets	3,961,403	1,096,000	-	-	-	3,797,413	-		
Gain on sale of SST Domestic business	(3,569,996)	-	-	-	-	-	-		
Write down / (reversal of write down) of DET debtor	-	-	-	-	-	(4,990,113)	-		
EBITDA before non recurring items	(2,595,855)	(4,380,962)	(41%)	(4,495,157)	(3%)	(4,914,472)	-		
Operating cash inflow /(outflow)	(1,791,755)	(3,771,644)	-	(2,696,230)	-	(727,824)	-		

\* 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.

Table 1 Financial Summary

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For the year ended 30 June 2021, Site Group International Limited reported a loss after tax of \$7,137,657 compared to an after-tax loss of \$10,264,692 in the previous corresponding period. The earnings before interest, taxes, depreciation and amortisation (EBITDA) was a loss of \$2,866,502 compared to a loss of \$5,476,962.

### Site Skills Training - Domestic

Following completion of the asset sale to Competency training of the group Site Skills Training Assets in Australia for up to circa \$4.5m, the results of the segment up until the sale and for the previous year are disclosed as a discontinued operation.

### 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, suffered a 72% reduction in revenue to \$2,654,168 in the 12 months to June 2021, pared with \$9,584,526 in the prior year. EBITDA was a loss of \$4,417,978 due to an impairment of \$3,413,164 taken against leasehold improvements and the right of use asset. The previous result for this segment was an EBITDA of \$847,388 in the prior year. The reduction in revenues are a direct result of the impact of COVID-19.

To date SST International has provided education and training services to countries including the Philippines, PNG, Myanmar, Saudi Arabia, Bahrain, China, Singapore, Malaysia and has delivered services to governments and companies in locations including Timor-Leste, UAE, Azerbaijan, Africa and others.

The Clark operations continue to provide the platform for our international expansion with existing customers OceanaGold, FieldCore (a GE Company), Orica, Lychapodium, and Clough receiving regular services. Additionally, Site WorkReady is increasing the provision of skilled trades people for markets in Australia, New Zealand and Africa.

Additionally the company continues to expand its operations and colleges with Abdulali Al-Ajmi Company for crane and heavy equipment training colleges in Saudi Arabia. The National Construction Training Center (NCTC) in Nairyah has been operating since September 2017 servicing the training needs of construction companies across the Kingdom of Saudi Arabia. Unfortunately the border closures and the closure of the college due to COVID-19 significantly impacted the results for the year.

A 3.5 year extension on the NCTC contract was announced on the 4 March 2021 and will allow for the continued delivery and output aligns well with the Kingdom's Vision 2030. So far well over 2,000 graduates are now in meaningful long-term employment.

### 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 fell to \$567,301 (2020: \$1,973,419) with an EBITDA loss of \$925,836 (2020: EBITDA loss of \$292,210). The reduction in commodity prices and COVID-19 contributed to the significant reduction in EBITDA and revenue.

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.

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## Tertiary Education

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

This division reported an increase in revenue of 6% to \$3,820,368 in 2021, up from \$3,591,170 in 2020. EBITDA was \$372,224 compared to an EBITDA of \$625,283 in 2020, as the scale of the business improves on the back of increased student number and additional courses being offered.

Student numbers studying in Australia remained steady despite the closure of international borders with over 300 current enrolments in CRICOS registered courses. Future revenues are expected to continue to grow during the 2021 financial year as international students take the opportunity to study engineering and manufacturing technology courses with Site Institute.

In addition, TESOL Asia is a training and industry focussed organisation for Teachers in the English as a Second Language (ESL) sector. It provides access to training, consulting, industry conferences and academic journals around the world. Teaching English to Speakers of Other Languages (TESOL) focusses on bringing English language acquisition academics together with professional teachers to support and develop the industry globally. During the financial year, TESOL management focused on online courses conferences and seminars. The investment in online TESOL courses and conferences, and a number of strategic alliances are expected to further grow revenues with new emerging markets interested in online delivery.

**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910  
AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2021**

**Statement of Comprehensive Income**

		Consolidated Group	
	Note	2021 \$	2020 \$
<b>Continuing operations</b>			
Revenue from contracts with customers	3	7,362,539	15,320,718
Interest income	3	14,905	24,291
<b>Total income</b>		<b>7,377,444</b>	<b>15,345,009</b>
Contractor and other service providers		(775,801)	(2,186,299)
Other direct fees and costs		(1,412,909)	(3,375,269)
Employee benefits expense	4	(5,064,710)	(7,101,834)
Occupancy expenses		(518,071)	(1,293,314)
Depreciation and amortisation expense		(1,436,904)	(1,603,270)
Finance costs	4	(1,723,418)	(2,054,097)
Foreign currency gain (loss)		492,477	109,988
Other expenses	4	(5,635,662)	(4,990,899)
<b>Loss before tax from continuing operations</b>		<b>(8,697,554)</b>	<b>(7,149,985)</b>
Income tax (expense) / benefit	5	(123,470)	(48,713)
<b>Loss for the year from continuing operations</b>		<b>(8,821,024)</b>	<b>(7,198,698)</b>
<b>Profit (Loss) for the year from discontinued operations</b>	19	<b>1,544,818</b>	<b>(3,065,994)</b>
<b>Total loss for the year</b>		<b>(7,276,206)</b>	<b>(10,264,692)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss in subsequent years (net of tax):</i>			
Translation of foreign operations		(273,878)	296,867
<i>Items not to be reclassified to profit or loss in subsequent years (net of tax):</i>			
Remeasurement gain/(loss) on defined benefit plan		99,878	(7,237)
<b>Total other comprehensive income (loss)</b>		<b>(174,000)</b>	<b>289,630</b>
<b>Total comprehensive loss</b>		<b>(7,450,206)</b>	<b>(9,975,062)</b>
<b>Earnings per share</b>			
Earnings per share for (loss) / profit attributable to the ordinary equity holders of the parent			
Basic and diluted (cents per share)	2	(0.86)	(1.32)
<b>Earnings per share for continuing operations</b>			
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the parent			
Basic and diluted (cents per share)	2	(1.05)	(0.93)

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 2021**

**Statement of Financial Position**

	Note	Consolidated Group	
		2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		166,053	1,246,819
Trade and other receivables	6	1,188,543	2,656,525
Contract assets	7	41,002	496,950
Inventories		14,521	18,823
Prepayments		232,802	431,835
Current tax asset		(11,299)	37,261
<b>TOTAL CURRENT ASSETS</b>		<b>1,631,622</b>	<b>4,888,213</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	3,680,580	8,339,642
Right-of-use assets	18	4,309,876	6,100,739
Intangible assets	9	445,004	1,250,608
Security deposits		793,776	1,033,030
Other non-current financial assets		16,435	226,233
Financial assets at fair value through profit & loss	19	1,504,269	-
Deferred income tax asset	5	830,838	921,060
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,580,778</b>	<b>17,871,312</b>
<b>TOTAL ASSETS</b>		<b>13,212,400</b>	<b>22,759,525</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	6,348,256	4,420,245
Contract liabilities	11	167,168	812,474
Interest bearing debt	12	2,015,798	2,015,680
Lease liabilities	18	1,027,525	1,461,187
Current tax liabilities		-	84,082
Provisions	13	266,177	628,241
Financial liabilities at fair value through profit and loss	14	166,798	324,606
<b>TOTAL CURRENT LIABILITIES</b>		<b>9,991,722</b>	<b>9,746,515</b>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	10	5,595,083	5,595,083
Provisions	13	327,712	611,303
Interest bearing debt	12	5,234,958	4,970,972
Lease liabilities	18	6,515,480	8,373,206
Financial liabilities at fair value through profit or loss	14	94,245	915,940
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>17,767,478</b>	<b>20,466,504</b>
<b>TOTAL LIABILITIES</b>		<b>27,759,200</b>	<b>30,213,019</b>
<b>NET LIABILITIES</b>		<b>(14,546,800)</b>	<b>(7,453,494)</b>
<b>EQUITY</b>			
Issued capital	15	83,719,540	83,366,140
Reserves	16	2,695,639	2,966,017
Accumulated losses	16	(100,961,979)	(93,785,651)
<b>TOTAL/ (DEFICIENCY OF) EQUITY</b>		<b>(14,546,800)</b>	<b>(7,453,494)</b>

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 2021**

**Statement of Changes in Equity**

	Share Capital (note 15) \$	Accumulated losses (note 16) \$	Foreign currency translation reserve (note 16) \$	Share based payments reserve (note 16) \$	Total \$
<b>Consolidated Group</b>					
<b>Balance at 30 June 2019</b>	78,085,284	(83,513,722)	1,134,288	1,520,903	(2,773,247)
<b>Comprehensive income</b>					
Loss for the year	-	(10,264,692)	-	-	(10,264,692)
Other comprehensive income for the year	-	(7,237)	296,867	-	289,630
<b>Total comprehensive income /(loss) for the year</b>	-	(10,271,929)	296,867	-	(9,975,062)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Shares issued during the year	5,297,017	-	-	-	5,297,017
Transaction costs	(16,161)	-	-	-	(16,161)
Share-based payments	-	-	-	13,959	13,959
<b>Total transactions with owners and other transfers</b>	5,280,856	-	-	13,959	5,294,815
<b>Balance at 30 June 2020</b>	83,366,140	(93,785,651)	1,431,155	1,534,862	(7,453,494)
<b>Comprehensive income</b>					
Loss for the year	-	(7,276,206)	-	-	(7,276,206)
Other comprehensive income for the year	-	99,878	(273,878)	-	(174,000)
<b>Total comprehensive income /(loss) for the year</b>	-	(7,176,328)	(273,878)	-	(7,450,206)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Shares issued during the year	353,400	-	-	-	353,400
Transaction costs	-	-	-	-	-
Share-based payments	-	-	-	3,500	3,500
<b>Total transactions with owners and other transfers</b>	353,400	-	-	3,500	356,900
<b>Balance at 30 June 2021</b>	83,719,540	(100,961,979)	1,157,277	1,538,362	(14,546,800)

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 2021**

**Statement of Cash Flows**

	Consolidated Group	
Note	2021	2020
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	16,409,488	29,061,947
Payments to suppliers and employees	(18,106,059)	(32,491,836)
Interest received	12,116	18,546
Interest paid	(1,199,671)	(1,101,086)
Income tax paid	(69,068)	(111,169)
Government grants and tax incentives	1,161,439	851,954
<b>Net cash (used in) operating activities</b>	<b>(1,791,755)</b>	<b>(3,771,644)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(370,791)	(554,205)
Payments for investments	199,169	(116,147)
Proceeds from sale of business	1,799,189	-
Proceeds from sale of property, plant and equipment	28,143	52,593
Purchase of intangible assets	(258,920)	(507,139)
Cash backed performance bonds	89,563	(76,690)
<b>Net cash (used in) investing activities</b>	<b>1,486,353</b>	<b>(1,201,588)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	323,400	4,500,000
Proceeds from exercise of employee share plan	-	10,000
Proceeds from borrowings	1,000,000	2,000,000
Repayment of borrowings	(1,000,000)	(281,974)
Principal repayments - lease liabilities	(1,079,549)	(619,068)
Transaction costs on shares	-	(16,160)
<b>Net cash provided by financing activities</b>	<b>(756,149)</b>	<b>5,592,798</b>
Net (decrease) / increase in cash held	(1,061,551)	619,566
Effect of exchange rates on cash holdings in foreign currencies	(19,215)	21,105
Cash and cash equivalents at beginning of financial year	1,246,819	606,148
<b>Cash and cash equivalents at end of financial year</b>	<b>166,053</b>	<b>1,246,819</b>

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

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**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910  
AND CONTROLLED ENTITIES**

## **Notes to the Financial Statements for the Year Ended 30 June 2021**

### **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 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 three reportable business segments of the Group are:

- **Site Skills Training - International** operates a 300,000m<sup>2</sup> 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 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 2021 continued

### Note 1 Operating Segments continued

#### Year ended 30 June 2021

	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	2,635,034	567,301	3,820,368	7,022,703	339,836	7,362,539
Revenue from contracts with customers - inter-segment	19,134	-	-	19,134	(19,134)	-
<b>Total segment revenue</b>	<b>2,654,168</b>	<b>567,301</b>	<b>3,820,368</b>	<b>7,041,837</b>	<b>320,702</b>	<b>7,362,539</b>
<b>Segment net operating profit / (loss) before tax</b>	<b>(5,831,968)</b>	<b>(945,424)</b>	<b>197,610</b>	<b>(6,579,782)</b>	<b>(2,117,772)</b>	<b>(8,697,554)</b>
Interest revenue	12,195	2	-	12,197	2,708	14,905
Interest expense	(615,944)	(2,515)	(19,510)	(637,969)	(1,085,449)	(1,723,418)
Depreciation and amortisation	(810,241)	(17,075)	(155,104)	(982,420)	(454,484)	(1,436,904)
<b>EBITDA</b>	<b>(4,417,978)</b>	<b>(925,836)</b>	<b>372,224</b>	<b>(4,971,590)</b>	<b>(580,547)</b>	<b>(5,552,137)</b>
<b>Segment assets as at 30 June 2021</b>	<b>7,721,916</b>	<b>129,971</b>	<b>1,293,903</b>	<b>9,145,790</b>	<b>2,133,039</b>	<b>11,278,829</b>
<b>Segment liabilities as at 30 June 2021</b>	<b>8,057,648</b>	<b>265,933</b>	<b>1,329,693</b>	<b>9,653,274</b>	<b>16,168,836</b>	<b>25,822,110</b>
<b>Capital expenditure as at 30 June 2021</b>	<b>32,776</b>	<b>-</b>	<b>86,248</b>	<b>119,025</b>	<b>84,460</b>	<b>203,485</b>

#### Year ended 30 June 2020

	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	9,553,265	1,881,617	3,591,170	15,026,052	294,666	15,320,718
Revenue from contracts with customers - inter-segment	31,261	91,802	-	123,063	(123,063)	-
<b>Total segment revenue</b>	<b>9,584,526</b>	<b>1,973,419</b>	<b>3,591,170</b>	<b>15,149,115</b>	<b>171,603</b>	<b>15,320,718</b>
<b>Segment net operating profit / (loss) before tax</b>	<b>(759,025)</b>	<b>(391,106)</b>	<b>465,854</b>	<b>(684,277)</b>	<b>(6,465,708)</b>	<b>(7,149,985)</b>
Interest revenue	16,132	15	-	16,147	8,144	24,291
Interest expense	(697,231)	(2,110)	(18,001)	(717,342)	(1,336,755)	(2,054,097)
Depreciation and amortisation	(925,314)	(96,801)	(141,428)	(1,163,543)	(439,727)	(1,603,270)
<b>EBITDA</b>	<b>847,388</b>	<b>(292,210)</b>	<b>625,283</b>	<b>1,180,461</b>	<b>(4,697,370)</b>	<b>(3,516,909)</b>
<b>Segment assets as at 30 June 2020</b>	<b>13,965,550</b>	<b>563,580</b>	<b>1,254,760</b>	<b>15,783,890</b>	<b>3,061,934</b>	<b>18,845,824</b>
<b>Segment liabilities as at 30 June 2020</b>	<b>8,536,953</b>	<b>178,428</b>	<b>950,297</b>	<b>9,665,678</b>	<b>17,163,425</b>	<b>26,829,103</b>
<b>Capital expenditure as at 30 June 2020</b>	<b>352,774</b>	<b>793</b>	<b>73,513</b>	<b>427,080</b>	<b>60,186</b>	<b>487,266</b>

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 1 Operating Segments continued

	Consolidated Group	
	2021	2020
	\$	\$
<b>Reconciliation of loss</b>		
Segment loss	(6,579,782)	(684,277)
Inter-company management fees	1,876,621	660,000
Head office occupancy costs	(26,240)	(206,745)
Corporate employee benefits including Directors costs	(2,218,716)	(2,456,728)
Legal accounting and other professional fees	(316,748)	(373,780)
Travel costs	(21,341)	(158,335)
Depreciation and amortisation expense	(454,484)	(439,727)
Finance costs	(1,085,449)	(1,336,755)
Fair value gain/loss of financial liabilities at fair value	979,503	(1,021,916)
Other corporate costs	(1,171,620)	(1,303,325)
Corporate income	320,702	171,603
<b>Group loss before tax</b>	<b>(8,697,554)</b>	<b>(7,149,985)</b>
<b>Reconciliation of assets</b>		
Segment operating assets	9,145,790	15,783,890
Discontinued operations	1,933,571	3,913,701
<i>Corporate assets</i>		
Cash at bank	9,716	139,647
Security deposits	409,359	543,705
Intangibles	-	198
Other assets	1,725,732	2,378,384
Inter-segment receivables	(11,768)	-
<b>Total assets per statement of financial position</b>	<b>13,212,400</b>	<b>22,759,525</b>
<b>Reconciliation of liabilities</b>		
Segment operating liabilities	9,653,274	9,665,678
Discontinued operations	1,937,090	3,383,916
<i>Corporate liabilities</i>		
Corporate trade payables	6,971,499	6,739,157
Interest bearing debt	8,393,200	8,532,506
Other financial liabilities	261,043	1,240,546
Other liabilities	543,094	651,216
<b>Total liabilities per statement of financial position</b>	<b>27,759,200</b>	<b>30,213,019</b>

### 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.

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 1 Operating Segments continued

#### Year ended 30 June 2021

	Australia	Asia	Corporate and Eliminations	Total
	\$	\$	\$	\$
<b>Revenue from contracts with customers - external</b>				
Course fees	3,527,873	1,311,155	-	4,839,028
Placement services	-	890,356	-	890,356
Government subsidies received	417,550	105,911	252,500	775,961
Project income	7,420	304,833	-	312,253
Other revenue	42,657	399,748	102,536	544,941
<b>Total revenue from contracts with customers - external</b>	<b>3,995,500</b>	<b>3,012,003</b>	<b>355,036</b>	<b>7,362,539</b>
Revenue from contracts with customers - inter segment		19,134	(19,134)	-
<b>Total revenue from contracts with customers</b>	<b>3,995,500</b>	<b>3,031,137</b>	<b>335,902</b>	<b>7,362,539</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	-	55	7,995	8,050
Services transferred over time	3,995,500	3,031,082	327,907	7,354,489
<b>Total revenue from contracts with customers</b>	<b>3,995,500</b>	<b>3,031,137</b>	<b>335,902</b>	<b>7,362,539</b>

- - - -

#### Year ended 30 June 2020

	Australia	Asia	Corporate and Eliminations	Total
	\$	\$	\$	\$
<b>Revenue from contracts with customers - external</b>				
Course fees	3,443,857	6,701,157	-	10,145,014
Placement services	-	1,527,959	-	1,527,959
Government subsidies received	326,049	104,914	221,000	651,963
Project income	47,785	2,532,215	-	2,580,000
Other revenue	6,585	335,531	73,666	415,782
<b>Total revenue from contracts with customers - external</b>	<b>3,824,276</b>	<b>11,201,776</b>	<b>294,666</b>	<b>15,320,718</b>
Revenue from contracts with customers - inter segment	-	123,063	(123,063)	-
<b>Total revenue from contracts with customers</b>	<b>3,824,276</b>	<b>11,324,839</b>	<b>171,603</b>	<b>15,320,718</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	-	15,457	8,553	24,010
Services transferred over time	3,824,276	11,309,382	163,050	15,296,708
<b>Total revenue from contracts with customers</b>	<b>3,824,276</b>	<b>11,324,839</b>	<b>171,603</b>	<b>15,320,718</b>

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 2 Earnings per Share

	Consolidated Group	
	2021	2020
	\$	\$
<b>a) Earnings used in calculating earnings per share</b>		
<i>For basic and diluted earnings per share:</i>		
Net loss excluding discontinued operations expense attributable to ordinary equity holders of the parent	(8,821,024)	(7,198,698)
Net loss attributable to ordinary equity holders of the parent	(7,276,206)	(10,264,692)
<b>b) Weighted average number of shares</b>		
Weighted average number of ordinary shares for basic and diluted earnings per share	No. 842,172,935	No. 776,786,845
<b>c) (Loss) / earnings per share (cents)</b>		
Loss per share excluding discontinued operations attributable to the ordinary equity holders of the parent	(1.05)	(1.18)
Loss per share attributable to the ordinary equity holders of the parent	(0.86)	(1.32)

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	
	2021	2020
	\$	\$
Net loss from discontinued operations attributable to ordinary equity holders of the parent	1,544,818	(3,065,994)

### Note 3 Revenue from Contracts with Customers from Continuing Operations

	Consolidated Group	
	2021	2020
	\$	\$
<b>Revenue from continuing operations</b>		
Course fees	4,839,028	10,145,014
Placement services	890,356	1,527,959
Government support and subsidies	775,961	651,963
Project income	312,253	2,580,000
Other revenue	544,941	415,782
	<u>7,362,539</u>	<u>15,320,718</u>

	Consolidated Group	
	2021	2020
	\$	\$
<b>Other Revenue &amp; Income</b>		
Interest income	14,905	24,291
	<u>14,905</u>	<u>24,291</u>

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 4 Expenses from Continuing Operations

	Note	Consolidated Group	
		2021	2020
		\$	\$
<b>Employee benefits expense</b>			
Wages and salaries		4,397,532	6,041,129
Superannuation expense		360,497	467,151
Payroll tax and workers compensation		178,660	183,545
Changes in provisions for annual and long-service leave		(23,721)	74,866
Other employment expenses		148,242	321,184
Share-based payment expense		3,500	13,959
		<u>5,064,710</u>	<u>7,101,834</u>
<b>Other expenses</b>			
Legal, accounting and other professional fees		441,788	500,548
Travel & accommodation		42,936	566,122
Consultants cost		671,271	867,419
Sales & marketing expense		987,288	966,800
Impairment expense		3,430,862	197,035
Fair value loss (gain) of financial liabilities at fair value through profit and loss		(979,503)	1,021,916
Administrative expenses		1,041,020	927,059
		<u>5,635,662</u>	<u>5,046,899</u>
<b>Finance costs</b>			
Interest expense - third parties		263,917	115,917
Interest expense - related parties		701,327	952,386
Interest expense - lease liabilities		751,519	874,903
Facilities fee		6,655	110,891
		<u>1,723,418</u>	<u>2,054,097</u>

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 5 Taxation

	Consolidated Group	
	2021	2020
	\$	\$
<b>a) Income tax expense</b>		
The major components of income tax expense are:		
<i>Statement of profit or loss and other comprehensive income</i>		
<i>Current income tax</i>		
Current income tax charge	35,500	86,384
Adjustments in respect of current income tax of previous years	-	7,991
<i>Deferred income tax</i>		
Relating to origination and reversal of timing differences	87,970	(45,662)
<b>Income tax expense / (benefit) reported in the statement of profit or loss and other comprehensive income</b>	<b>123,470</b>	<b>48,713</b>

#### Income tax expense is attributable to

Profit (loss) from continuing operations	307,256	(945,120)
Profit (loss) from discontinued operations	(183,786)	896,407
	<b>123,470</b>	<b>(48,713)</b>

#### b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit (loss) from continuing operations before income tax expense	(6,220,120)	(6,952,950)
Profit (loss) from discontinued operations before income tax expense	(932,616)	(3,263,029)
At the parent entity's statutory income tax rate of 30% (2020 - 30%)	(2,145,821)	(3,064,794)
Differential in overseas tax rate to Australian tax rate	142,114	93,878
Non-assessable income	(1,124,646)	(3,121,931)
Non-deductible expenses	2,198,944	3,462,756
Utilisation of previously unrecognised tax losses	(18,642)	(11,553)
Adjustments in respect of current income tax of previous years	-	7,991
Impairment of PP&E, intangibles and right of use assets	159,303	328,800
Deferred tax asset not recognised	912,218	2,353,566
<b>Income tax expense</b>	<b>123,470</b>	<b>48,713</b>

A deferred tax asset has not been recognised for unused tax losses amounting to \$3,040,728 (tax effected: \$912,218).

#### c) Deferred tax

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	2021	2020	2021	2020
	\$	\$	\$	\$
Accrued expenses	507,702	446,522	(61,180)	180,050
Superannuation payable	21,349	32,163	10,814	(13,636)
Provision for leave balance	113,750	238,776	125,026	(32,057)
Provision for impairment of receivables	81,300	42,300	(39,000)	(30,300)
Provision for re-credits	23,717	23,717	-	-
Plant and Equipment under lease	94,737	149,718	54,981	(149,718)
Other foreign entity deferrals	(11,717)	(12,136)	(2,670)	(1)
<b>Deferred tax benefit</b>			<b>87,971</b>	<b>- 45,662</b>
<b>Net deferred tax assets</b>	<b>830,838</b>	<b>921,060</b>		
			2021	2020
<b>Reconciliation of net deferred tax asset /(liability)</b>			\$	\$
As of 1 July			921,060	875,929
Opening balance adjustment			(2,252)	(531)
Tax income during the period recognised in profit or loss			(87,970)	45,662
As at 30 June			<b>830,838</b>	<b>921,060</b>

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## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 6 Trade and Other Receivables

	Note	Consolidated Group	
		2021	2020
		\$	\$
<b>CURRENT</b>			
Receivables from contracts with customers		22,287,479	23,473,161
Allowances for expected credit losses	7(a)	(21,248,645)	(21,118,645)
		1,038,834	2,354,516
Other receivables		149,709	302,009
Total current trade and other receivables		1,188,543	2,656,525

Trade receivables includes an amount of \$20,977,645, representing a portion of a total reconciliation payment of \$28,969,145 receivable from the Commonwealth Government Department of Education and Training (DET) for services performed prior to 30 June 2017. The difference of \$7,991,500 was impaired in an earlier period, which should not be taken as an assertion by the Group that the Group is not entitled to this amount.

### Note 7 Contract Assets

	Consolidated Group	
	2021	2020
	\$	\$
Accrued revenue	41,002	496,950

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 8 Property, Plant and Equipment

	Consolidated Group	
	2021	2020
	\$	\$
<b>Plant and equipment</b>		
<b>Leasehold improvements</b>		
At cost	8,151,518	9,573,434
Accumulated depreciation and impairment	(6,475,035)	(3,729,995)
Net carrying amount - leasehold improvements	1,676,483	5,843,439
<b>Capital works in progress</b>		
At cost	1,816,337	1,970,051
<b>Computer equipment</b>		
At cost	785,651	1,384,145
Accumulated depreciation	(691,718)	(1,272,757)
Net carrying amount - computers	93,933	111,388
<b>Furniture and fittings</b>		
At cost	2,206,309	4,689,755
Accumulated depreciation	(2,112,482)	(4,279,019)
Net carrying amount - furniture and fittings	93,827	410,736
<b>Vehicles</b>		
At cost	55,333	342,609
Accumulated depreciation	(55,333)	(338,581)
Net carrying amount - vehicles	-	4,028
<b>Total property, plant and equipment</b>	<b>3,680,580</b>	<b>8,339,642</b>

#### (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
	\$	\$	\$	\$	\$	\$
<b>Consolidated Group:</b>						
Balance at 30 June 2019	6,302,253	1,555,369	126,831	521,733	194,508	8,700,694
Additions	13,553	531,679	56,022	51,766	-	653,020
Transfers - in (out)	2,765	(197,544)	8,844	87,120	(175,651)	(274,466)
Disposals	-	-	-	(14,122)	-	(14,122)
Depreciation expense	(423,126)	-	(80,338)	(244,383)	(19,829)	(767,676)
Impairment expense	(345,072)	-	-	-	-	(345,072)
Exchange rate differences	293,066	80,547	29	8,622	5,000	387,264
<b>Balance at 30 June 2020</b>	<b>5,843,439</b>	<b>1,970,051</b>	<b>111,388</b>	<b>410,736</b>	<b>4,028</b>	<b>8,339,642</b>
Additions	788	238,784	59,714	81,323	4,440	385,048
Transfers - in (out)	193,774	(265,048)	36,662	11,038	-	(23,574)
Disposals	(762,779)	-	(31,542)	(229,193)	(7,494)	(1,031,008)
Depreciation expense	(410,522)	-	(80,596)	(173,037)	(2,175)	(666,330)
Impairment expense	(2,834,384)	-	(1,574)	(986)	-	(2,836,944)
Exchange rate differences	(353,833)	(127,450)	(119)	(6,054)	1,201	(486,255)
<b>Balance at 30 June 2021</b>	<b>1,676,483</b>	<b>1,816,337</b>	<b>93,933</b>	<b>93,827</b>	<b>-</b>	<b>3,680,580</b>

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 9 Intangible Assets

	Consolidated Group	
	2021 \$	2020 \$
<b>Non-Current</b>		
<b>Goodwill</b>		
Net carrying value	441,015	441,015
<b>Training licences and course material</b>		
Cost	1,597,005	3,518,016
Accumulated amortisation and impairment	(1,593,016)	(2,985,969)
Net carrying value	3,989	532,047
<b>Customer contracts</b>		
Cost	1,615,542	1,615,542
Accumulated amortisation	(1,615,542)	(1,615,542)
Net carrying value	-	-
<b>Software development</b>		
Cost	115,745	1,596,286
Accumulated amortisation	(115,745)	(1,318,740)
Net carrying value	-	277,546
<b>Total intangible assets</b>	<b>445,004</b>	<b>1,250,608</b>

#### (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	Software Development	Total
	\$	\$	\$	\$
<b>Consolidated Group:</b>				
Balance at 30 June 2019	638,050	643,670	227,496	1,509,216
Additions	-	270,364	137,880	408,244
Transfers in	-	-	98,895	98,895
Impairment expense	-	(271,084)	(186,725)	(457,809)
Amortisation expense	(197,035)	(112,688)	-	(309,723)
Exchange rate differences	-	1,785	-	1,785
<b>Balance at 30 June 2020</b>	<b>441,015</b>	<b>532,047</b>	<b>277,546</b>	<b>1,250,608</b>
Additions	-	114,926	103,410	218,336
Transfers in	-	-	23,574	23,574
Disposals	-	(596,369)	(254,342)	(850,711)
Amortisation expense	-	(159,030)	(150,188)	(309,218)
Impairment expense	-	112,436	-	112,436
Exchange rate differences	-	(21)	-	(21)
<b>Balance at 30 June 2021</b>	<b>441,015</b>	<b>3,989</b>	<b>-</b>	<b>445,004</b>

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 10 Trade and Other Payables

	Consolidated Group	
	2021	2020
	\$	\$
<b>Current</b>		
<b>Unsecured liabilities</b>		
Trade payables	3,051,291	1,929,846
Employee related payables	1,864,159	664,759
Accruals	1,400,734	1,766,872
Other payables	32,072	58,768
<b>Total trade and other payables</b>	<b>6,348,256</b>	<b>4,420,245</b>

	Consolidated Group	
	2021	2020
	\$	\$
<b>Non-current</b>		
<b>Unsecured liabilities</b>		
Trade payables	4,581,310	4,581,310
Accruals	1,013,773	1,013,773
<b>Total trade and other payables</b>	<b>5,595,083</b>	<b>5,595,083</b>

Non-current trade payables and accruals balances include commission payable to agents on receipt of the reconciliation payment receivable from the DET (see note 6).

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 6 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.

### Note 11 Contract Liabilities

	Consolidated Group	
	2021	2020
	\$	\$
Unearned revenue	88,113	812,474

	Consolidated Group	
	2021	2020
	\$	\$
<b>At 1 July 2020</b>	812,474	390,458
Deferred during the year	2,801,176	6,008,719
Released to statement of profit or loss	(3,525,537)	(5,586,702)
<b>At 30 June 2021</b>	<b>88,113</b>	<b>812,474</b>

The amount of the contract liability recognised at the beginning of the period was recognised as revenue during the 2021 year. All contract liabilities outstanding at 30 June 2021 are expected to be recognised as revenue within the next twelve months.

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 12 Interest Bearing Debt

#### Current financial liabilities

	Consolidated Group	
	2021	2020
	\$	\$
Secured loans due within 12 months	2,015,798	2,015,798
	<u>2,015,798</u>	<u>2,015,798</u>

#### Non-current financial liabilities

	Consolidated Group	
	2021	2020
	\$	\$
Unsecured related party loans	5,234,958	4,970,972
	<u>5,234,958</u>	<u>4,970,972</u>

### Note 13 Provisions

	Consolidated Group	
	2021	2020
	\$	\$
<b>Current</b>		
Employee - annual leave	234,768	507,544
Other	31,409	120,697
	<u>266,177</u>	<u>628,241</u>

	Consolidated Group	
	2021	2020
	\$	\$
<b>Non-current</b>		
Provision for long service leave	177,095	342,216
Provision for pension liability	150,617	269,087
	<u>327,712</u>	<u>611,303</u>

#### Movement in provisions

Movements in long service leave and lease rental provisions are set out below:

	Long Service Leave	Lease Rental*	Total
	\$	\$	\$
At 30 June 2019	267,255	2,453,827	267,255
Adjustment to opening balance	-	(2,453,827)	-
Arising during the year	74,961	-	74,961
At 30 June 2020	<u>342,216</u>	<u>-</u>	<u>342,216</u>
Adjustment to opening balance	-	-	-
Utilised/provision released	(165,121)	-	(165,121)
At 30 June 2021	<u>177,095</u>	<u>-</u>	<u>177,095</u>

\* 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.

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 14 Financial instruments at fair value through profit and loss

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

	Consolidated Group	
	2021	2020
	\$	\$
<b>Current</b>		
Derivative Liability	166,798	324,606
	2021	2020
	\$	\$
<b>Non-Current</b>		
Derivative Liability	94,245	915,940

The current derivative liability represents the fair value of the 41,666,667 options issued as part of the financing agreement with Lucerne Investment Partners (Lucerne), Aligned Capital & Armada Trading. These options have an exercise price of 3 cents per share.

The non-current derivative liability represents the fair value of the conversion feature of the loan with Punta Properties Inc.

The above derivatives are valued using a black scholes model and are carried at fair value.

### Note 15 Issued Capital

	Consolidated Group	
	2021	2020
	\$	\$
842,361,127 fully paid ordinary shares; 1,116,000 partly paid ordinary shares (2020: 830,581,138 fully paid ordinary shares; 1,116,000 partly paid ordinary shares)	86,170,038	85,816,638
Cost of capital raising	(2,450,498)	(2,450,498)
	<u>83,719,540</u>	<u>83,366,140</u>

#### (a) Ordinary Shares

	No. Shares	\$
<b>30 June 2019 share capital</b>	691,457,154	78,085,284
Share Issue -12 August 2019	75,000,000	3,000,000
Share Issue -19 August 2019	18,750,000	750,000
Share buy back - 4 December 2019	(5,000,000)	-
Share issue - advisory fee paid in equity - 14 April 2020	25,373,984	787,017
Share issue - 29 May 2020	25,000,000	750,000
Payments received under exercise of employee share plan	-	10,000
Transaction costs relating to capital raising	-	(16,161)
<b>30 June 2020 share capital</b>	<u>830,581,138</u>	<u>83,366,140</u>
Share issue 8 July 2020	11,779,989	353,400
<b>30 June 2021 share capital</b>	<u>842,361,127</u>	<u>83,719,540</u>

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## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 15 Issued Capital continued

- On 12 August 2019 – the Company issued 75,000,000 shares under a share placement at the issue price of \$0.04 per share.
- On 19 August 2019 – the Company issued 18,750,000 shares under a share placement at the issue price of \$0.04 per share.
- On 4 December 2019 – the Company completed a buy-back of 5,000,000 shares from current and former directors issued on terms consistent with the Employee Share Plan and expired as their conditions were not met.
- On 14 April 2020 – the Company issued 25,373,984 shares to legal counsel who agreed to be remunerated via equity. Shares were issued at the price of \$0.03 per share.
- On 29 May 2020 – the Company issued 25,000,000 shares under a share placement at the issue price of \$0.031 per share.
- On 8 July 2020 – the Company issued 11,779,989 shares under a share placement at the issue price of \$0.03 per share.

#### b) Options

- i. 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 2021, the Group has not paid any dividends.

### Note 16 Retained Earnings/ (Losses) and Reserves

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

	Consolidated Group	
	2021	2020
	\$	\$
Balance 1 July	(93,785,651)	(83,513,722)
Net (loss) / profit for the period	(7,276,206)	(10,264,692)
Other comprehensive income / (loss)	99,878	(7,237)
Balance 30 June	<u>(100,961,979)</u>	<u>(93,785,651)</u>

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 16 Retained Earnings/ (Losses) and Reserves continued

#### (b) Other reserves

	Consolidated Group		
	Share based payments	Foreign currency translation	Total
	\$	\$	\$
At 30 June 2019	1,520,903	1,134,288	2,655,191
Foreign currency translation	-	296,867	296,867
Share based payment	13,959	-	13,959
At 30 June 2020	1,534,862	1,431,155	2,966,017
Foreign currency translation	-	273,878	273,878
Share based payment	3,500	-	3,500
At 30 June 2021	1,538,362	1,157,277	2,695,639

#### (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.

### Note 17 Share based payments

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

	Consolidated Group	
	2021	2020
	\$	\$
<b>Employee services</b>		
Expense arising from the amortisation of employee sign on and bonus shares	-	-
Expense arising from the amortisation of the employee share plan	3,500	13,959
<b>Total expense arising from share based payment transactions</b>	<b>3,500</b>	<b>13,959</b>

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 18 Leased assets and leased liabilities

#### Lease assets

	Consolidated Group	
	30-Jun-21	30-Jun-20
	\$	\$
Carrying amount of leased assets :		
<b>Buildings under lease arrangements</b>		
At cost	2,520,011	3,837,569
Accumulated depreciation and impairment	(1,414,297)	(1,484,583)
	1,105,714	2,352,986
<b>Land under lease arrangements</b>		
At cost	3,607,709	3,887,672
Accumulated depreciation	(460,475)	(253,300)
	3,147,234	3,634,372
<b>Vehicles under lease arrangements</b>		
At cost	232,420	312,068
Accumulated depreciation	(175,492)	(198,687)
	56,928	113,381
<b>Total carrying amount of leased assets</b>	<b>4,309,876</b>	<b>6,100,739</b>

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	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 30 June 2019	-	-	-	-
Impact of initial adoption of AASB 16	3,887,672	3,785,876	175,651	7,849,199
Additions	-	51,693	-	51,693
Depreciation	(248,697)	(1,044,384)	(62,270)	(1,355,351)
Impairment loss	-	(441,205)	-	(441,205)
Exchange rate differences	(4,603)	1,006	-	(3,597)
<b>Balance at 30 June 2020</b>	<b>3,634,372</b>	<b>2,352,986</b>	<b>113,381</b>	<b>6,100,739</b>
Additions	-	1,906,570	-	1,906,570
Disposals	-	(1,471,001)	-	(1,471,001)
Depreciation	(227,930)	(1,201,329)	(49,936)	(1,479,195)
Impairment loss	-	(475,965)	-	(475,965)
Exchange rate differences	(259,208)	(5,548)	(6,517)	(271,274)
<b>Balance at 30 June 2021</b>	<b>3,147,233</b>	<b>1,105,714</b>	<b>56,928</b>	<b>4,309,875</b>

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 18 Leased Assets and Leased Liabilities continued

#### Lease liabilities

	Consolidated Group	
	30-Jun-21	30-Jun-20
<b>Lease liabilities - current</b>	\$	\$
Land	257,583	173,046
Buildings	748,350	1,204,146
Motor vehicles	21,591	83,995
	<b>1,027,525</b>	<b>1,461,187</b>
<b>Lease liabilities - non-current</b>		
Land	5,597,974	6,252,951
Buildings	917,505	2,113,012
Motor vehicles	-	7,243
	<b>6,515,480</b>	<b>8,373,206</b>
<b>Total carrying amount of lease liabilities</b>	<b>7,543,004</b>	<b>9,834,393</b>

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 2019	-	-	-	-
Impact of initial adoption of AASB 16	6,211,650	3,862,843	174,755	10,249,248
Additions	-	51,693	-	51,693
Lease repayments	(570,378)	(954,703)	(92,353)	(1,617,435)
Interest	643,700	345,830	8,836	998,367
Exchange rate differences	141,025	11,495	-	152,520
<b>Balance at 30 June 2020</b>	<b>6,425,997</b>	<b>3,317,158</b>	<b>91,238</b>	<b>9,834,393</b>
Additions	-	1,949,603	-	1,949,603
Disposals		(2,468,332)	(18,014)	(2,486,345)
Lease repayments	(834,718)	(4,823,493)	(54,781)	(5,712,992)
Interest	577,563	355,157	3,148	935,869
Exchange rate differences	(313,286)	3,335,762	-	3,022,476
<b>Balance at 30 June 2021</b>	<b>5,855,557</b>	<b>1,665,855</b>	<b>21,592</b>	<b>7,543,004</b>

In the financial year ended 30 June 2021, the Group incurred expenses of \$182,757 relating to leases of 12-months or less and low value items (for which a lease asset and lease liability has not been recognised).

## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 19 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.

In February 2021, the Group announced their intention to exit its Australian domestic industry focussed RTO business Site Skills Training, by the way of sale of its training facilities, assets and training equipment to Competency Training Pty Ltd, a subsidiary of Verbec Ltd (ASX:VBC) The sale was finalised on 12 April 2021, and it is reported in the current period as discontinued operations

Financial information relating to the discontinued operations of both Productivity Partners Pty Ltd & Site Skills Group Pty Ltd is set out below.

#### Financial performance and cash flow information

	2021	2020
	\$	\$
Revenue	9,576,577	11,938,341
Expenses	(11,785,541)	(14,107,928)
Profit / (Loss) before income tax	(2,208,964)	(2,169,587)
Income tax expense	1,254,785	(896,407)
Profit / (Loss) after income tax of discontinued operation	(954,179)	(3,065,994)
Gain on sale of the subsidiary after income tax	2,498,997	-
<b>Loss from discontinued operation</b>	<b>1,544,818</b>	<b>(3,065,994)</b>

#### Details of the sale of the subsidiary

	2021	2020
	\$	\$
Consideration received or receivable:		
Cash	1,939,189	-
Fair value of contingent consideration	1,504,269	-
Total disposal consideration	3,443,458	-
Carrying amount of net assets sold	126,538	-
<b>Gain on sale before income tax</b>	<b>3,569,996</b>	<b>-</b>
Income tax expense on gain	(1,070,999)	-
<b>Gain on sale after income tax</b>	<b>2,498,997</b>	<b>-</b>

In the event that Competency Training Pty Ltd achieves certain revenue target post settlement for the periods ended 30 June 2022 and 30 June 2023 as specified in an 'earn out' clause in the sale agreement, additional cash consideration of up to \$2,500,000 will be receivable. At the time of sale the fair value of the consideration was determined to be \$1,504,269. It has been recognised as a financial asset at fair value through profit and loss.

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## Notes to the Financial Statements for the Year Ended 30 June 2021 continued

### Note 19 Discontinued Operations

The carrying amounts of assets and liabilities as at the date of sale (12 April 2021) were:

	12 April 2021 \$
Property, plant & equipment	1,211,142
Right of use assets	1,471,001
<b>Total assets</b>	<b>2,682,143</b>
Employee benefit obligations	(322,335)
Lease Liabilities	(2,486,345)
<b>Total Liabilities</b>	<b>(2,808,680)</b>
<b>Net assets</b>	<b>(126,538)</b>

#### Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were classified as held for sale in relation to the discontinued operations as at 30 June 2020.

	2021 \$	2020 \$
Assets classified as held for sale		
Property, plant & equipment	-	1,472,612
Right of use assets	-	457,241
<b>Total assets of disposal group held for sale</b>	<b>-</b>	<b>1,929,853</b>
Liabilities directly associated with assets classified as held for sale		
Employee benefit obligations	-	(402,210)
Lease liabilities	-	(1,159,069)
<b>Total liabilities of disposal group held for sale</b>	<b>-</b>	<b>(1,561,279)</b>