Site

ASX RELEASE

31 August 2017

Appendix 4E and Annual Report

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

- Appendix 4E – Preliminary Final Report for the year ended 30 June 2017: and
- 2017 Annual Report

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

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Media and Investors

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

Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	Site Group International Limited
ABN	73 003 201 910
Financial Year Ended	30 June 2017
Previous Corresponding Reporting Period	30 June 2016

Results for Announcement to the Market

	$'000	**Percentage increase /(decrease) over previous corresponding period**
Revenue and other income	45,702	32% decrease
Profit / (loss) after tax attributable to members	(50,466)	Decrease to loss
Net profit / (loss) for the period attributable to members	(50,466)	Decrease to loss

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

Dividends

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

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	(0.13) cents	3.64 cents

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

Refer attached annual report

Commentary on the Results for the Period

The earnings per security: The current year result is a loss per share of (9.50) cents as compared to the prior year earnings per share of 1.84 cents. The underlying result excluding discontinued business and non-recurring items was a loss of $4.99m on revenues of $29.23m. This result was impacted by the VFH distraction which required substantial commitment of group management and associated expenses. These various costs are estimated to be in excess of $3m. Without the VFH segment distracting the business, the group result would likely have been close to breakeven. Since June 30 numerous cost saving measures have been identified and implemented. This includes reducing overheads, residual VFH expenses and key direct costs in the core business. Management have announced expectations for the coming financial year which includes strong revenue and margin growth. This has been re-affirmed by some early contract wins in both the offshore and domestic business. For further review of results please refer to the Directors report on page 8 of the attached annual report.
Returns to shareholders including distributions and buy backs: Not applicable
Significant features of operating performance: Refer to the Directors' Report
The results of segments that are significant to an understanding of the business as a whole: Refer to Note 22 to the Accounts (Operating Segments)
Discussion of trends in performance: Refer to the Directors' Report
Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: Refer to the Directors' Report

Audit/Review Status

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

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

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

Attachments Forming Part of Appendix 4E

Attachment #	**Details**
1	Audited financial statements 30 June 2017

Signed By (Director/Company Secretary)	
Print Name	Vernon Wills
Date	31 August 2017

Site

Site Group International Limited
and Controlled Entities

ABN 73 003 201 910

Annual report – 30 June 2017

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Annual General Meeting

The Annual General Meeting of the Company will be held at

Time:	11:00am
Date:	Thursday, 23 November 2017
Location:	488 Queen Street, Brisbane QLD 4000.

Managing Director and CEO Letter

The previous year's results tell two stories with the main distraction the ongoing saga over the failed Vet Fee-Help (VFH) legislation having a significant effect on the Company's cash flow and growth.

The underlying result excluding discontinued business and non-recurring items was a loss of $4,994,514 on revenues of $29,230,330. This result was impacted by the VFH distraction which required substantial commitment of group management and associated expenses. These various costs are estimated to be in excess of $3m. Without the VFH segment distracting the business, the group result would likely have been close to breakeven. Since June 30 numerous cost saving measures have been identified and implemented. This includes reducing overheads, residual VFH expenses and key direct costs in the core business.

Management have announced expectations for the coming financial year which includes strong revenue and margin growth. This has been re-affirmed by some early contract wins in both the offshore and domestic business operations.

The financial year to 30 June 2017 has been very disrupted by Productivity Partners (PP) ongoing interaction with the Department of Education and Training (DET) over the 2015 Reconciliation payment and the interaction with ASQA and ACCC directly relating to the failed VFH scheme and the associated legislation.

This has led to the Board deciding to record significant write downs which in no way reflects the Board's view that the outstanding amounts are payable in full. However, from a financial reporting perspective there is little choice but to be pragmatic until this issue is resolved.

As a result, in addition to the impairment recorded against goodwill in the tertiary education segment at 31 December 2016 of $2,461,000, a further non cash impairment of intangibles of $13,545,480 has been made at 30 June 2017. There was also a further $7,563,980 impairment in the energy services segment.

PP still continues to work with the DET to finalise the reconciliation payment outstanding of $33,944,396. As previously stated in Site's announcements, in light of the uncertain circumstances with regard to the reconciliation payment, a write down of the full debtor value has been recorded in the accounts at 30 June 2017. This in no way alters the belief of the Board and Management that PP is entitled to the $33,944,396 receivable in full and that the monies are legitimately due and payable under the relevant legislation as it then applied.

The distraction of the ongoing reconciliation which hopefully is drawing to completion after 20 months with the finalisation of the Deloitte audit on behalf of DET which concludes PP had a robust enrolment process with sound practices. The main area of contention is around engagement, which whilst not a requirement of the legislation was disappointing to the DET and PP.

The enquiries of ACCC related to the VFH scheme are ongoing however management believes when the results of the Deloitte report and their enquiries are concluded the detailed enrolment verification, withdrawal policy and student support will show a consistent and considerate approach as has been the case since 1998.

Managing Director and CEO Letter continued

As previously announced whilst PP has no ongoing need for the PP registration as it has no active students (since March 2017), only enrolled a total of 44 students in 2016 and asked to voluntarily surrender the registration, PP is challenging the removal of the licence by ASQA as a matter of principle.

THE BUSINESS

Despite the distractions articulated above, the core business continues to grow with impressive gains in both domestic and international operations. Forecast revenues for FY2018 previously announced are circa AUD $36m with management expectation this will be exceeded with the recent announcement of new Australian and international projects.

Some highlights are:

AUSTRALIA

- Over 130,000 students trained for industry over the last 5 years with current run rate with industry partners increasing;
- Apprenticeship business proving very popular with industry and students;
- New Darwin facility providing new areas of skills for industry partnerships;
- Proposal for industry driven SLPP for Gladstone strongly supported;
- Development of Work Integrated Learning (WIL) for graduating engineers receiving strong support from industry, Universities, student bodies and internship companies;
- New upstream opportunities with domestic and international implications with addition of well management, maintenance and operations; and
- Continuing sound results from subsidiary Wild Geese International.

INTERNATIONAL

- Announcement of Work Integrated Learning (WIL) program at Clark to generate approximately $4m per annum from 2018;
- Announcement of the WIL program with partners Uniteam for Woodside for Myanmar engineering students;
- Announcement of recent wins in KSA (Saudi) of a new contract for US$9.5M over the next 3 years as well as several smaller projects for specialised services such as firefighting;
- Completion of the Singapore Government project for the development of the National Framework for Chemical and Energy sectors for Singapore;
- Commencement of the next 46 Myanmar candidates for PTTEP for the long term technician program; and
- Commencement of the turbine training courses with GE at Clark.

Overall the growth of the competency and training business is sound. The stress added through policy and legislation changes to the PP business has been incredibly destructive. Internationally, Site is benefitting from sound relationships with industry, Governments and Australian Government divisions, such as Austrade, and a number of trade Ambassadors and their respective departmental staff who have witnessed first-hand the positive effect Site is having on trade, industry and localisation and nationalisation of work forces in foreign jurisdictions.

Management are very focussed on the growth of the core business without any reliance upon Federal policy. I would like to thank all our staff for their dedication and hard work. I thank my fellow board members for their wise counsel and guidance. And finally I thank you, the shareholders, for your ongoing support.

Vernon Wills
Managing Director and CEO

Corporate Directory

Directors	Darryl Somerville (Chairman) Vernon Wills Joseph Ganim Peter Jones Nicasio Alcantara
Company secretaries	Duncan Cornish Craig Dawson
Chief Executive Officer	Vernon Wills
Principal registered office in Australia	Site Group International Ltd. Level 4, 488 Queen Street Brisbane Qld 4000 Telephone: +61 7 3114 5188
Principal place of business	Site Group International Ltd. Level 4, 488 Queen Street Brisbane Qld 4000 Telephone: +61 7 3114 5188
Share registry	Computershare Investor Services Pty Limited 117 Victoria Street West End QLD 4101, Australia Telephone: +61 7 3237 2100
Auditor	Ernst & Young 111 Eagle Street Brisbane QLD 4000, Australia
Solicitors	Hopgood Ganim Level 8, 1 Eagle Street Brisbane Qld 4000 Telephone: +61 7 3024 0000
Bankers	National Australia Bank Cnr. Adelaide and Creek Streets Brisbane QLD 4000 Westpac Banking Corporation 45 Adelaide Street Fremantle WA 6160
Stock exchange listing	Site Group International Limited shares are listed on the Australian Securities Exchange (code: SIT)
Web site address	www.site.edu.au

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SITE GROUP INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 73 003 201 910

Financial Report for the Year Ended 30 June 2017

Directors' Report

Your Directors submit herewith the financial report of Site Group International Limited for the year ended 30 June 2017.

Directors

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

Vernon Wills – Managing Director and CEO

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

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

Nicasio Alcantara BA, MBA – Non-Executive Director

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

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

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

Darryl Somerville BCom, FCA, FCPA – Chairman and Non-Executive Director

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

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

Directors' Report continued

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

Joseph Ganim LLB Non-Executive Director

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

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

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

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

Peter Jones ACA Non-Executive Director - Appointed 29 May 2017

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

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

Company Secretaries

Duncan Cornish BBus (Accountancy), ACA

Mr Cornish is an accomplished and highly efficient corporate administrator and manager. Duncan has more than 20 years' experience in the accountancy profession both in England and Australia, mainly with the accountancy firms Ernst & Young and PricewaterhouseCoopers.

He has extensive experience in all aspects of company financial reporting, corporate regulatory and governance areas, business acquisition and disposal due diligence, capital raising and company listings and company secretarial responsibilities, and serves as corporate secretary and chief financial officer of several Australian and Canadian public companies.

Mr Cornish holds a Bachelor of Business (Accounting) and is a Chartered Accountant.

Craig Dawson BCom, ACA

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

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

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

Committee membership

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

Audit and Risk Committee (AC)

- Peter Jones (c) (appointed 29 May 2017)
- Darryl Somerville (Chairman until 29 May 2017)
- Joseph Ganim

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

Nomination and Remuneration Committee (NRC)

- Joseph Ganim (c)
- Darryl Somerville
- Peter Jones (appointed 29 May 2017)

(c) Designates the chairman of the committee.

Directors' Report continued

Meetings of Committees

	Board No.	Attended No.	AC No.	Attended No.	NRC No.	Attended No.
Vernon Wills	9	9	2	2*	1	1**
Darryl Somerville	9	9	2	2	1	1
Nicasio Alcantara	9	5	-	-	-	-
Joseph Ganim	9	9	2	2	1	1
Peter Jones	1	1	-	-	-	-

* ex officio attendance

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

All directors were eligible to attend all meetings held.

Principal activity

The principal activity of the company during the period was the provision of training and education services in Australia and internationally. The company is delivering workforce solutions across a variety of industries to both retail and corporate clients. Other than the discontinuance of the Productivity Partners business within the tertiary education segment, there has been no significant change in the principal activities of the consolidated entity during the period.

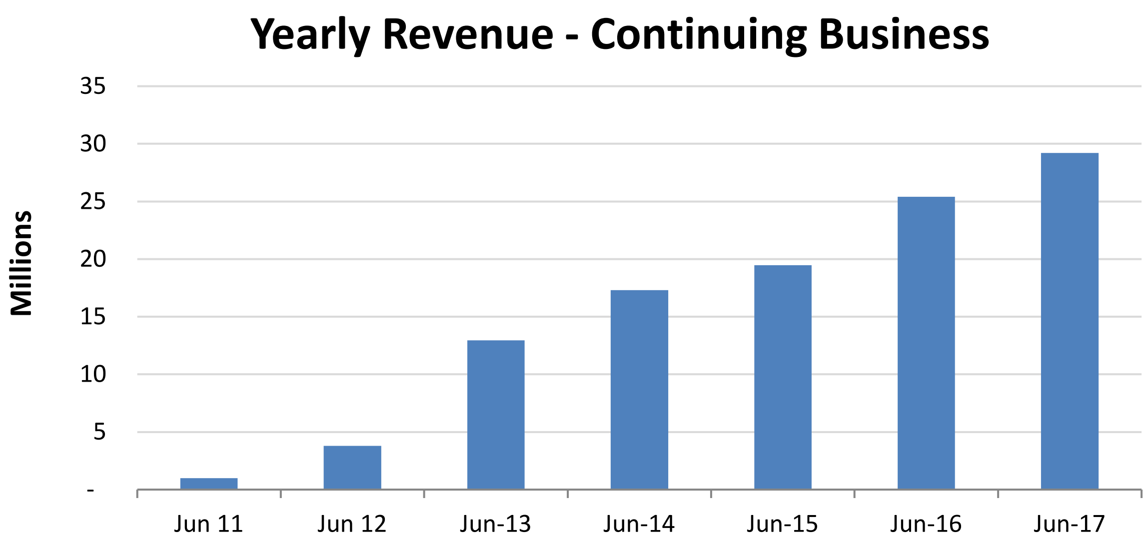
The company has adopted expansion plans for its business via both organic growth and through prudent acquisition activity with a view to diversify funding sources and diversifying course and program offerings.

Operating and financial review

Group

Site continues to grow its continuing business with expectations that it will provide revenues of circa $32.9m for the 2018 Financial Year with an expected EBITDA of 10% of revenue (this is a non-IFRS measure).

Due to a strong sales funnel the company expects results in line with average revenue growth over the last 5 years of circa 20% p.a. (excluding the discontinued operation of Productivity Partners).



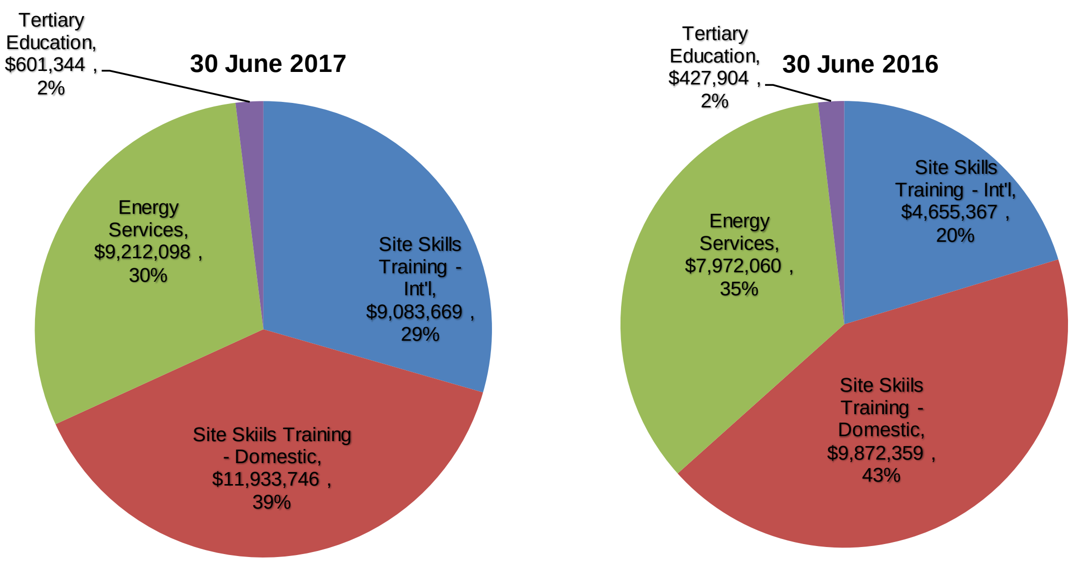
Directors' Report continued

Operating and financial review continued

Projected increases in revenues are expected internationally from the Philippines, the Kingdom of Saudi Arabia, Papua New Guinea and Myanmar as well as new project opportunities in the Middle East, Africa and South America which are expected to positively impact on 2018.

In Australia, trades training growth through apprenticeships in Queensland, Western Australia and the Northern Territory is strong, with the new significantly larger Darwin facility benefitting the operation due to extra capacity.

Revenue contribution and activity by each segment is illustrated in the two charts below. This highlights the growing contribution from each segment of the continuing operation.



Gross Revenue by Segment June 2017 versus June 2016 (excludes eliminations)

The closure of the Productivity Partners (PP) business and closure of VET FEE-HELP related campuses in Brisbane, Bundaberg, Perth, Gladstone, and redundancy of staff will result in a reduction of over $3.0m per annum in costs and expenses moving forward. Substantial redundancy and closure costs impacted on the FY17 position, but are obviously not recurring.

As a result, in addition to the impairment recorded against goodwill in the tertiary education segment at 31 December 2016 of $2,461,000, a further non cash impairment of intangibles of $13,545,480 has been made at 30 June 2017. There was also a further $7,563,980 impairment in the energy services segment.

PP still continues to work with the Department of Education and Training to finalise the reconciliation payment outstanding of $33,944,396. As previously stated in Site's announcements, in light of the uncertain circumstances with regard to the reconciliation payment, a write down of the full debtor value has been recorded in the accounts at 30 June 2017. This in no way alters the belief of the Board and Management that PP is entitled to the $33,944,396 receivable in full and that the monies are legitimately due and payable under the relevant legislation as it then applied.

For the year ended 30 June 2017, Site Group International Limited reported a loss after tax from continuing operations of $12,558,494 compared to $4,998,584 in the previous corresponding period. Excluding the non-recurring impairment of intangibles, the result improves to a loss of $4,994,514.

Directors' Report continued

Operating and financial review continued

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 2017	2016	Change 17-16 %	30-Jun 2015	Change 16-15 %	30-Jun 2014	Change 15-14 %
Revenue and other income	45,702,260	67,561,988	(32.4%)	40,712,776	65.9%	17,314,375	135.1%
Net profit / (loss)	(50,466,491)	9,404,816	-	1,946,454	383.2%	(6,487,117)	130.0%
add back							
Depreciation and amortisation	2,355,412	2,855,346	(17.5%)	1,916,523	49.0%	1,473,174	30.1%
Interest paid	307,304	263,047	16.8%	55,536	373.7%	19,532	184.3%
Income tax (benefit) / expense	(1,025,209)	782,430	(231.0%)	113,248	590.9%	45,682	147.9%
deduct							
Interest income	16,930	23,227	(27.1%)	31,530	(26.3%)	42,975	(26.6%)
EBITDA*	(48,845,914)	13,282,412	-	4,000,231	232.0%	(4,991,704)	-
Non recurring items**							
Impairment of intangibles	23,570,460	3,177,175		-		-	
Write down of DET debtor	33,944,396	-		-		-	
Write back of contingent consideration	-	(3,375,136)		(1,713,324)		-	
Transaction costs	-	-		-		771,014	
EBITDA before non recurring items	8,668,942	13,084,451	(33.7%)	2,286,907	472.1%	(4,220,690)	-
Operating cash inflow /(outflow)	(93,722)	(4,835,274)	-	2,474,505	-	(3,538,244)	-

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

Table 1 Financial Summary

The earnings before interest, taxes, depreciation and amortisation (EBITDA) was a loss of $48,845,914 from a positive $13,282,412 in the prior corresponding period. Excluding non-recurring items means the group's trading result was an EBITDA of $8,668,942 compared to the previous period's EBITDA of $13,084,451.

Site Skills Training - Domestic

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

The division achieved a 21% increase in revenue to $11,933,746 in the 12 months to June 2017, compared with $9,872,359 in 2016, which was a solid performance in the face of subdued conditions in key mining, construction and oil and gas markets. EBITDA was a loss of $605,107 compared to an EBITDA loss of $585,040 in the previous year reflecting the additional costs of the establishment of the apprenticeships and traineeship business within this division.

In the three years 2014-2016, SST has delivered courses to over 90,000 persons who are either currently employed, seeking employment or seeking upskilling opportunities predominately in key sectors including mining, construction, logistics and energy.

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

Business improvements and the introduction of qualification programs has supported Site Skills Training's Queensland operations achieve strong revenue growth in the last financial year. Site management are expecting further growth for the FY18 financial year.

Operating and financial review continued

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

In the Northern Territory, Site Skills Training has relocated to a much larger premises in Darwin. This will allow for necessary classroom, warehouse and hardstand space needed for Site to achieve the growth anticipated in the market. This growth is expected through increased Apprenticeship and Trainees capability and servicing major oil and gas clients entering production. Substantial operations and maintenance supply base and support services coming online will also increase demand.

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 division, based at Site's major training facility in Clark Freeport Zone near Manila in the Philippines, delivered a 95% increase in revenue to $9,083,669 in the 12 months to June 2017, compared with $4,655,367 in the prior year. EBITDA was $535,485 compared with an EBITDA loss of $2,396,338 in the prior year.

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

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

In July, the company announced the signing of a third Training Services Agreement ("Agreement") with Al-Ajmi Company ("Al-Ajmi") to service the needs for the Saudi Aramco led Fadhili Gas Project in Eastern Province, Kingdom of Saudi Arabia. This three-year contract is worth circa USD$9.5M (AUD$12M) in revenue for Site over 3 years (around USD$3.15M annually) and will develop 1800 Saudi workers to meet the immediate needs of the Eastern Province – the largest oil and gas producing region of Saudi Arabia. The Agreement is for delivery of technical training programs by SST for the new Nairiyah Construction Training College (NCTC) in Nairiyah, Eastern Province, Saudi Arabia.

Energy Services

The Energy services division 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.

The division grew revenue by 16% to $9,212,098 in the year to June 2017, compared with $7,972,060 in 2016, with EBITDA of $1,115,571, up from $747,700 in 2016 - its first full year of operations.

New contracts have been signed with Origin Energy, covering their Australia Pacific Liquefied Natural Gas (APLNG), Origin Energy Resources, and Origin Energy Services divisions, each for the duration of two years, for the provision of training services. Site has also been engaged by Jemena for the national provision of training services across operations and maintenance personnel. Jemena is the second largest Gas Pipeline Asset owner in Australia.

Directors’ Report continued

Operating and financial review continued

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 over 170 contractor and operator companies in Queensland.

During the year the Safe Live Process Plant was completed and delivered to SPEI in Port Moresby. Final commissioning will occur once the facility earth works are completed. This will provide a safe environment to train technicians and other staff for the rapidly growing oil and gas industry in PNG.

SGI’s Singapore and Malaysian operation has recently completed a contract for Singapore Government Agency SkillsFuture Singapore, for the development of a National Skills Framework, development of Technical Skills and Competencies Reference Documents, and a Wage Study for key job roles for the Energy and Chemicals sector.

SGI were awarded the next phase of junior technician development for PTT EP, the national oil company of Thailand, at its jointly operated training centre in Yangon, Myanmar. The new intake comprises 46 trainees embarking on SGI’s 12-month Competence Based Junior Technician Programme covering production, instrument, electrical and mechanical disciplines. This will be the 4th intake for SGI, in its support of PTT EP’s Local and National Workforce Development commitments in Myanmar.

Tertiary Education

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

The closure of the PP business during the year with no current students and no intention for any current students has meant that this part of the tertiary education segment is being treated in these financial statements as a discontinued operation and hence excluded from the result for this segment and the comparative period.

This division (excluding PP) reported revenue of $601,344 in 2017, up from $427,904 in 2016. EBITDA was a loss of $1,048,455 compared to an EBITDA loss of $2,718 in 2016, with the increased loss driven by the investment in new student offerings.

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

The investment in a range of TESOL and other conference opportunities has led to partnership agreement with The Pinnacle Group International, Asia’s leading conference organiser, to develop and launch a series of world class TESOL Asia branded conferences in Asia.

Cash Position

At 30 June 2017 the company had cash at bank of $1,528,542. Given the expected operating results in the FY18 financial year the company has sufficient funding to meet its medium term funding requirements. The company is also currently conducting a Share Purchase Plan which is underwritten to $750,000 to further support the cash requirements of the business.

Directors' Report continued

Operating and financial review continued

Risks

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

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

Risk	Details
Regulatory risk	The Group operates in a highly regulated market and the Group is regulated by the Australian Federal and State Governments and the Philippine Government. Failure to meet regulatory requirements may impact materially on the business.
Financing	The ability to implement its business strategy may be dependent upon the Group's capacity to raise additional capital. There is a risk that the Group may not be able to secure such funding on satisfactory terms or at all.
Sovereign risk	The Group has significant operations in the Philippines. Those operations are potentially subject to a degree of political risk and civil disobedience, although the location of Clark Education City within the Clark Freeport Zone helps mitigate such risks.
Cultural unrest	Any cultural unrest or perceived cultural unrest in the location of the campuses may result in decreased client interest.
Competition	The market for education services in Australia and worldwide is highly competitive and the group is likely to encounter strong competition from other entities as well as other countries for training and education.
Industry downturn	The industries to which the Group provides services may be affected by factors outside the Group's control.
Limited operating history	Site's business model is relatively new and Site is yet to generate recurring profits from its group activities. The Group will be subject to all of the business risks and uncertainties associated with any developing business enterprise.
Material contracts	The Group has entered into various contracts which are important to the future of the Group. Any failure by counterparties to perform their job, or obligations could have an adverse effect on the Group.
CDC lease	The Group has entered a long term lease with Clark Development Corporation (**CDC**). There are a number of circumstances in which the CDC lease may be terminated (subject to compliance with provisions enabling certain breaches to be remedied) by CDC in which case Site does not have any rights to compensation or reimbursement for funds expended on the leased land, improvements and moveables on the leased property pass to CDC on termination. Such termination may occur where Site has breached a provision of the CDC lease or where there is an insolvency event. The CDC lease may also be terminated in the event of any governmental expropriation of the leased property. In

Risk	Details
	the event that the CDC lease was terminated, Site would no longer be in a position to operate its Philippines facility which would have significant impact on the Group and the Group's ongoing operations.
Currency	Some of Site's revenue streams and expenses are denominated in currencies other than the Australian Dollar. It is possible that foreign exchange rates could move in a manner which would be unfavourable to the Company.
Large holdings by some shareholders	The two most significant existing shareholders (and their associates) have combined holdings of approximately 30% of the shares which may impact on liquidity in the public market for the sale of shares which may adversely affect the market price.
Key employees	A small number of key employees are responsible for the day to day and strategic management of the Group. The Company has sought to mitigate the risk associated with this structure through entering service and employment agreements.
Natural catastrophe	The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, drought, volcanic eruption and earthquakes. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Group's operations.
Foreign judgements	Whilst there are procedures for recognising foreign laws and judgements in the Philippines, the Philippine courts may reject the applicability of foreign law or judgment when the foreign law, judgment or contract is contrary to a sound and established public policy of the forum. Additionally, Philippine prohibitive laws concerning persons, their acts or property, and those which have for their object public order, public policy and good customs shall not be rendered ineffective by laws or judgments promulgated, or by determinations or conventions agreed upon in a foreign country. Accordingly, the enforcement of rights of the Group within the Philippines with respect to foreign judgments and laws may be adversely affected by observance of Philippine procedural laws.
Material arrangements	The Group has and expects to continue to enter into arrangements which are important to the future of the Group. It may be the case that these arrangements are non-binding and therefore unenforceable. The Group is also reliant upon third parties maintaining appropriate qualifications and accreditations and to the extent that these are not maintained, there may be an adverse impact on the Group.
Geographic concentration	The Group's expansion plans include the Philippines, Western Australia, Northern Territory and Queensland as well as potentially other national and international jurisdictions. If there are circumstances which impact negatively on these jurisdictions, this may adversely effect the Group's continuing operations.

Operating and financial review continued

2018 Outlook

The Board and management consider that Site is ideally positioned to capitalise on future opportunities due to the investment made in facilities, developing product and entering markets.

It is Site`s intention to focus on energy services, engineering, mining, safety and trades training delivery. The domestic and offshore delivery models are growing due to Site gaining market share and broadening its scope of training products. The strong corporate customer base and high barrier to entry services such as the Safe Live Process Plant (SLPP) continue to be key differentiators for Site.

Directors' shareholdings as of 30 June 2017

Director	Shares
Vernon Wills	103,020,630
Darryl Somerville	5,392,188
Joseph Ganim	8,796,957
Peter Jones	45,194,436
Nicasio Alcantara	1,000,000

Significant changes in state of affairs

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

Capital Management

- In November 2016, Site completed the issue of 4,382,111 shares to Directors at the issue share price of $0.28 per share committed as part of the placement done in November 2015.
- In June 2017, Site successfully completed the issue of 62,889,000 shares under a private placement at $0.04 per share to raise $2,515,560.
- A further loan amount to Directors will be converted to equity of $1,663,461 post 30 June 2017 and pending shareholder approval (recorded as equity at 30 June 2017).

Discontinued Operation

- Productivity Partners is no longer enrolling students as a Registered Training Organisation with the completion of all students in February 2017.

Business Acquisitions

- In November 2016, Site settled the contingent consideration of Wild Geese International Limited and as such issued 4,865,348 shares at $0.19 per share to the vendor.
- In November 2016, Site settled the contingent consideration for the acquisition of Site Institute Pty Ltd and as such issued 940,219 shares at $0.19 per share to the vendors.

After balance date events

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

Dividends paid

There have been no dividends paid.

Environmental issues

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

Share options

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

Directors' Report continued

Indemnification and insurance of Directors and Officers

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

Indemnification of auditors

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

Non-audit services

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

Vernon Wills
Director
31 August 2017

Remuneration Report (audited)

This remuneration report for the year ended 30 June 2017 outlines the remuneration arrangements of the Company and Controlled Entities (the Group) in accordance with the requirements of the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

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

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

Nomination and Remuneration Committee
The directors established a Nomination and Remuneration Committee in 2012 and have agreed a charter and process. The committee convened once during the 2017 financial year with final discussions about remuneration or appointments being approved by the full board. The Nomination and Remuneration committee comprises two independent Non-Executive Directors (NEDs).

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

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

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

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

Directors

The following persons were directors of Site Group International Limited during the financial year:

- Darryl Somerville – Chairman and Non-Executive Director
- Vernon Wills – Managing Director and Chief Executive Officer
- Nicasio Alcantara – Non-Executive Director
- Joseph Ganim – Non-Executive Director
- Peter Jones – Non-Executive Director (appointed 29 May 2017)

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

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

- Craig Dawson – Chief Financial Officer
- Blake Wills – Chief Operating Officer

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

Remuneration Report (audited) continued

Remuneration of directors and executives

Principles used to determine the nature and amount of remuneration

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

Relationship between remuneration and financial performance

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

Executive and non-executive directors

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

Directors' fees

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

Executive pay

The executive pay and reward framework has the following components:

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

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

Base Pay

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

Retirement benefits

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

Executive contractual arrangements

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

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

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

Directors' Report continued

Remuneration Report (audited) continued

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

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

Details of remuneration

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

Directors of Site Group International Limited

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

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

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

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

* Appointed May 2017.

2016	Short Term Benefits			Post-employment	Long Term Benefits	Share-based Payments			
Name	Cash Salary $	Directors Fees $	Non- monetary benefits $	Super-annuation $	Long Service Leave $	Options $	Shares $	Shares to be issued $	Total $
Vernon Wills	400,000	-	44,459	-	-	-	-	-	444,459
Nicasio Alcantara	-	85,757	-	-	-	-	-	-	85,757
Darryl Somerville	-	60,000	-	5,700	-	-	-	-	65,700
Joseph Ganim	-	60,000	-	5,700	-	-	-	-	65,700
Total	400,000	205,757	44,459	11,400	-	-	-	-	661,616

Remuneration Report (audited) continued

Specified Executives of the Consolidated Entity

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

2016	Short Term Benefits		Post-employment	Long Term Benefits	Share-based Payments		
Name	Cash Salary $	Non- monetary $	Super-annuation $	Long Service Leave $	Options $	Shares $	Total $
Blake Wills	174,672	8,446	12,575	-	-	81	195,775
Craig Dawson	273,789	8,446	26,010	-	-	325	308,569
Total	448,461	16,892	38,585	-	-	406	504,344

Short Term Incentive (STI)

Under the STI, executives have the opportunity to earn an annual incentive award which is delivered in cash or shares at the discretion of the Remuneration Committee. The STI recognises and rewards short term performance. The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures. No STI's in relation to FY17 have been approved and paid as all criteria have not yet been finalised.

Director and Key Management Personnel Options and Rights Holdings

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

Director and Key Management Personnel participation in the Employee Share Plan

In November 2011 the Shareholders approved the establishment of an Employee Share Plan that would enable employees, directors and eligible associates to subscribe for shares in the Company. Under the terms of the plan an eligible person is offered shares in the Company at a price determined by the board ($0.20 per share in 2012 and 2013) with a corresponding interest free loan to assist the person to subscribe for the shares. The shares are escrowed in two tranches with 50% being escrowed for 12 months and 50% being escrowed for 24 months. To be able to access the shares the person must repay the loan to the Company and continue to be an employee, associate or director at the time the shares are released from escrow.

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

Name	Balance 1 July 2016	Granted as remuneration	Shares sold	Net other change	Balance 30 June 2017	Tradable	Escrowed
Vern Wills	2,000,000	-	-	-	2,000,000	-	2,000,000
Nicasio Alcantara	1,000,000	-	-	-	1,000,000	-	1,000,000
Darryl Somerville	1,000,000	-	-	-	1,000,000	-	1,000,000
Blake Wills	500,000	-	-	-	500,000	-	500,000
Craig Dawson	1,000,000	-	-	-	1,000,000	-	1,000,000
Total	5,500,000	-	-	-	5,500,000	-	5,500,000

Directors’ Report continued

Remuneration Report (audited) continued

The loan from the company must be repaid prior to the shares being sold or transferred by the employee. The board has discretion as to the number of shares issued to each person.

The following table details the director and KMP participation:

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

* The issue of these shares to Messrs V Wills, Somerville and Alcantara and half of those to B Wills was approved by shareholders at a General Meeting held on 15 June 2012 and were issued on 4 July 2012. The issue of shares to Messrs Dawson and the other half to B Wills was approved by shareholders on 8 November 2013. Shares were issued to B Wills on 13 November 2013 and Dawson on 6 September 2013. These shares have an escrow period of 12 months for 50% of the shares issued with the balance being escrowed for 24 months.

For accounting purposes these shares are treated as if these were share options, as whilst the shares have been issued to the employee their rights to access the shares are subject to both a time based requirement (continued employment to escrow dates) and valuation uncertainty (share price exceeds issue price at date of escrow release). Accordingly, the shares are valued using a Black Scholes Option Valuation model with the expense being recognised over the escrow period as a share based payment. There were no grants of shares under the Employee Share Plan during the year.

Director and Key Management Personnel Share Holdings

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

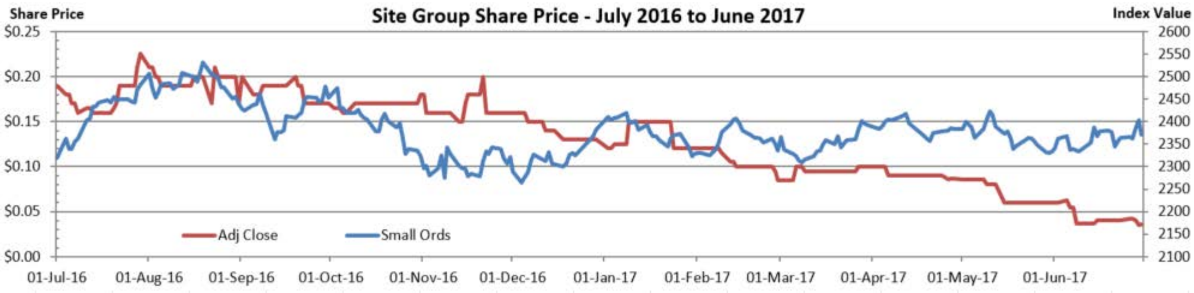
Name	Balance 1 July 2016	Granted as remuneration	Shares sold	Net other change	Balance 30 June 2017
Vern Wills	97,352,805	-	-	3,667,825	101,020,630
Nicasio Alcantara	-	-	-	-	-
Darryl Somerville	4,035,045	-	-	357,143	4,392,188
Joseph Ganim	8,439,814	-	-	357,143	8,796,957
Peter Jones	*				45,194,436
Blake Wills	1,238,523	-	-	-	1,238,523
Craig Dawson	1,000,000	-	-	-	1,000,000
Total	112,066,187	-	-	4,382,111	161,642,734

* Peter Jones appointed 29 May 2017 and held 45,194,436 shares on that date.

Executive Remuneration Outcomes for 2017

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

Share price performance



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

Revenue growth

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

	2017	2016	2015	2014	2013	2012
Total revenue	29,213,400	25,406,177	19,467,233	17,314,375	12,960,549	3,789,107
Growth %	15%	31%	12%	34%	242%	

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

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

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

	2017	2016	2015	2014	2013	2012
Total profit / (loss)	(50,466,491)	9,404,816	1,946,454	(6,487,117)	(5,821,405)	(7,750,684)
Change %	(637%)	383%	130%	(11%)	25%	22%
Earnings/(loss) per Share (cents)	(9.50)	1.84	0.40	(1.81)	(1.92)	(4.25)
Share price at year end	$0.04	$0.19	$0.35	$0.15	$0.119	$0.148

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

Remuneration Report (audited) continued

Transactions with Key Management Personnel

On 3rd May 2012 Wayburn Holdings Pty Ltd, a company associated with Managing Director and CEO Mr Vernon Wills established an unsecured loan facility for $2.0 million. The interest rate of 7.0% per annum on the drawn component is calculated and credited monthly. The facility was for a 12-month term and was repaid by the company prior to 30 June 2013. On 26 August 2013, the company renewed this facility on the same terms for a 12-month term to 31 August 2014 and then on to 31 August 2015 with an increase to the facility to $4 million.

In the 3 months ended 31 December 2015 the company drew down $2.35 million from the loan facility. Interest charged on the loan was $114,308 to 30 June 2016 (to 30 June 2015: $23,741). On 17 February 2016, the company renewed this facility with Wayburn Holdings Pty Ltd for $2.35 million on the same terms to 31 December 2016.

On 24 November 2016, the company made a repayment to Wayburn Holdings Pty Ltd with the issue of 3,667,825 shares at the issue share price of $0.28 per share. At 31 December 2016 the company owed $1,331,203 to Wayburn Holdings Pty Ltd at an interest rate of 7% per annum.

On 22 February 2017, the company renewed its facility with Wayburn Holdings Pty Limited for $1.32m at an interest rate of 7%, with the amount repayable at the earlier of collection of the overdue receivable from the Government Department of Education and Training or February 2018. Interest charged on the loan was $127,372 to 30 June 2017.

On 30 June 2017, the Company made a repayment to Wayburn Holdings Pty Ltd with the conversion of $750,000 to equity in the company. The shares are to be issued at 0.04 cents pending shareholder approval. Thus the remaining balance owing to Wayburn Holdings at 30 June 2017 is $573,009.

In November 2015, the company drew down $200,000 from loan facilities with non-executive directors. The loans were repaid in November 2016 with the issue of 714,286 shares at the issue share price of $0.28 per share.

On 30 June 2017, the Company made a repayment to non-executive directors with the conversion of $863,462 to equity in the Company. In addition, Stuart Andrew Pty Limited committed to participate $50,000 in the share placement. The shares are to be issued at 0.04 cents pending shareholder approval.

Corporate Governance Statement

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

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

Principle 1: Lay solid foundations for management and oversight

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

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

The board of Site Group International Limited are responsible for:

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

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

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

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

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

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

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

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

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

The following table indicates the current gender mix of employees:

	Male	Female	Male	Female	Total
Board	5	-	100%	-	5
Executive and Senior Managers	12	2	85%	15%	14
All Other	148	71	68%	32%	219
Total	165	73	69%	31%	238

Corporate Governance Statement continued

Principle 2: Structure the board to add value

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

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

To achieve best practice the Council recommends that:

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

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

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

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

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

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

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

Corporate Governance Statement continued

Principle 3: Act ethically and responsibly

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

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

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

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

Principle 4: Safeguard integrity in corporate reporting

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

To achieve best practice the Council recommends that:

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

The Company has an Audit Committee and the number of meetings of the committee held during the 2017 year is set out in the Directors' Report.

In 2017 and 2016 the committee comprised Mr Darryl Somerville, Mr Joseph Ganim and Mr Peter Jones (appointed 29 May 2017) with the CEO attending on an ex officio basis. The Council recommends that audit committees be comprised of at least three independent directors. Despite all three directors being non-executive directors, Mr Jones is not considered to be independent due to being a substantial security holder of the Company. Due to Messrs Somerville, Ganim and Jones extensive corporate history and experience in financial matters, the company believes that given the size and nature of its operations, non-compliance has not been detrimental.

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

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

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

Corporate Governance Statement continued

Principle 5: Make timely and balanced disclosure

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

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

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

Principle 6: Respect the rights of security holders

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

To achieve best practice, the Council recommends that Companies:

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

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

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

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

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

Principle 7: Recognise and manage risk

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

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

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

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

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

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

Principle 8: Remunerate fairly and responsibly

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

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

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

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

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

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

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

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

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

As lead auditor for the audit of Site Group International Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit*;* and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Mike Reid
Partner
31 August 2017

Statement of Comprehensive Income

	Note	Consolidated Group 2017 $	Consolidated Group 2016 $
Continuing operations			
Revenue	3	29,213,400	22,031,041
Other income	3	-	3,375,136
Interest income	3	16,930	22,047
Total income		29,230,330	25,428,224
Contractor and other service providers		(3,990,340)	(2,784,893)
Other direct fees and costs		(6,687,892)	(5,697,418)
Employee benefits expense	4	(14,956,324)	(12,718,350)
Depreciation and amortisation expense		(2,217,799)	(2,692,438)
Finance costs	4	(306,632)	(259,049)
Other expenses	4	(12,206,866)	(7,128,941)
Occupancy expenses		(3,279,521)	(3,252,356)
Foreign currency loss		(248,965)	(168,301)
Loss before tax from continuing operations		(14,664,009)	(9,273,522)
Income tax benefit	17	2,105,515	4,274,938
Loss for the period from continuing operations		(12,558,494)	(4,998,584)
Discontinued Operations			
(Loss) / profit for the period from discontinued operations	23	(37,907,997)	14,403,400
(Loss) / profit for the period		(50,466,491)	9,404,816
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods (net of tax):			
Translation of foreign operations		(545,336)	39,867
Items not to be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurement gain/(loss) on defined benefit plan		21,393	(24,324)
Total other comprehensive (loss) / income		(523,943)	15,543
Total comprehensive (loss) / income		(50,990,434)	9,420,359
Earnings per share			
Earnings per share for (loss) / profit attributable to the ordinary equity holders of the parent			
Basic and diluted (cents per share)	7	(9.50)	1.84
Earnings per share for continuing operations			
Earnings per share for loss from continuing operations attributable to the ordinary equity holders of the parent			
Basic and diluted (cents per share)	7	(2.36)	(0.98)

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

SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910
AND CONTROLLED ENTITIES AS AT 30 JUNE 2017

Statement of Financial Position

	Note	Consolidated Group 2017 $	Consolidated Group 2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,528,542	2,982,679
Trade and other receivables	9	3,709,967	46,642,900
Inventories	10	38,157	47,524
Prepayments		485,161	403,424
TOTAL CURRENT ASSETS		5,761,827	50,076,527
NON-CURRENT ASSETS			
Property, plant and equipment	12	8,003,144	9,136,853
Intangible assets	13	5,777,124	30,301,714
Security deposits		630,074	680,063
Other non-current financial assets	14	90,022	107,070
Deferred income tax asset	17	1,044,462	262,784
TOTAL NON-CURRENT ASSETS		15,544,826	40,488,484
TOTAL ASSETS		21,306,653	90,565,011
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	10,969,305	29,342,060
Interest bearing debt	16	711,548	5,510,234
Current tax liabilities		741,861	1,809,767
Provisions	18	1,379,919	524,656
Contingent consideration liability	19	-	1,637,825
TOTAL CURRENT LIABILITIES		13,802,633	38,824,542
NON-CURRENT LIABILITIES			
Provisions	18	2,370,427	2,298,703
Interest bearing debt	16	106,552	94,784
TOTAL NON-CURRENT LIABILITIES		2,476,979	2,393,487
TOTAL LIABILITIES		16,279,612	41,218,029
NET ASSETS		5,027,041	49,346,982
EQUITY			
Issued capital	20	75,742,840	69,293,031
Reserves	29	2,009,064	2,333,716
Retained losses	29	(72,724,863)	(22,279,765)
TOTAL EQUITY		5,027,041	49,346,982

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

Statement of Changes in Equity

	Share Capital Ordinary (note 20)	Retained earnings / (losses) (note 29)	Foreign currency translation reserve (note 29)	Share based payments reserve (note 29)	Total
Consolidated Group	$	$	$	$	$
Balance at 1 July 2015	57,374,746	(31,660,257)	1,062,858	1,102,120	27,879,467
Comprehensive income					
Profit for the year	-	9,404,816	-	-	9,404,816
Other comprehensive income for the year	-	(24,324)	39,867	-	15,543
Total comprehensive income / (loss) for the year	-	9,380,492	39,867	-	9,420,359
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period	11,996,525	-	-	-	11,996,525
Transaction costs	(78,240)	-	-	-	(78,240)
Share-based payments	-	-	-	128,871	128,871
Total transactions with owners and other transfers	11,918,285	-	-	128,871	12,047,156
Balance at 30 June 2016	69,293,031	(22,279,765)	1,102,725	1,230,991	49,346,982
Comprehensive income					
Loss for the year	-	(50,466,491)	-	-	(50,466,491)
Other comprehensive income for the year	-	21,393	(545,336)	-	(523,943)
Total comprehensive income for the year	-	(50,445,098)	(545,336)	-	(50,990,434)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period	4,913,209	-	-	-	4,913,209
Shares to be issued	1,663,462	-	-	-	1,663,462
Transaction costs	(126,862)	-	-	-	(126,862)
Share-based payments	-	-	-	220,684	220,684
Total transactions with owners and other transfers	6,449,809	-	-	220,684	6,670,493
Balance at 30 June 2017	75,742,840	(72,724,863)	557,389	1,451,675	5,027,041

Statement of Cash Flows

	Note	Consolidated Group 2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		35,664,810	40,881,817
Payments to suppliers and employees		(34,333,441)	(44,925,204)
Interest received		16,403	23,245
Finance payments		(423,068)	(71,631)
Income tax paid		(1,018,426)	(743,501)
Net cash (used in) operating activities	24	(93,722)	(4,835,274)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(802,060)	(853,819)
Proceeds from disposals		3,545	14,545
Purchase of intangible assets		(204,737)	(558,755)
Cash backed performance bonds		38,401	359,307
Payment of contingent consideration		(529,942)	(582,648)
Payment for business / subsidiary, net of cash acquired		-	(1,077,826)
Net cash (used in) investing activities		(1,494,793)	(2,699,196)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,735,560	5,174,089
Proceeds from borrowings		750,000	3,150,000
Repayment of borrowings		(2,248,865)	-
Transaction costs on shares		(46,862)	(78,240)
Net cash provided by financing activities		189,833	8,245,849
Net (decrease) / increase in cash held		(1,398,682)	711,379
Effect of exchange rates on cash holdings in foreign currencies		(55,455)	(3,877)
Cash and cash equivalents at beginning of financial year		2,982,679	2,275,177
Cash and cash equivalents at end of financial year	8	1,528,542	2,982,679

Notes to the Financial Statements for the Year Ended 30 June 2017

Note 1 Corporate Information

The consolidated financial report of Site Group International Limited (the Group) for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 31 August 2017.

Site Group International Limited (parent) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX Code: SIT).

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

Note 1a Summary of significant accounting policies

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

Basis of Preparation

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

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

The financial report is presented in Australian dollars.

(a) Compliance with IFRS

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

(b) Going concern

The financial report has been prepared on the basis that the 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.

The current year financial results have been negatively impacted by the closure of the Productivity Partners business, which has been treated as a discontinued operation in this financial report, which includes the impairment reported against the intangibles and also the impairment of the Australian Government's Department of Education and Training (DET) receivable even though the Group maintains the firm position it is entitled to the funds. The result was also impacted by impairments in the year. Current forecasts of operational performance and capital expenditure requirements indicate that the Company will continue to be cash flow positive in the 2018 financial year.

Note 1a Summary of significant accounting policies continued

At 30 June 2017, the Company had net current asset deficiency of $8,040,806. This position reflects a liability to creditors and staff in excess of $5,000,000 which is contractually payable only on settlement with DET. As noted above, as a consequence of the impairment, no amount has been reflected in the balance sheet for the DET receivable. In addition, the balance in current liabilities of $1,231,415 in unearned income represents the commitment to deliver training at a date in the future rather than a future cash outflow. The Company had cash reserves of $1,528,542 and has reduced the current interest bearing debt to $711,548 at 30 June 2017. The Company is also currently conducting a share purchase plan for up to $2,500,000 which is underwritten to $750,000 to further support the cash requirements of the business. In addition, the company has agreed a payment plan with the ATO for its tax liabilities for the 2016 year.

The existing loan facility of approximately $1,300,000 provided by Wayburn Holdings Pty Ltd was extended to 1 September 2018 to provide additional funding should it be required.

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 However, should this not be the case the directors expect the Company to 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.

No adjustment has been made to the current asset and liability amounts and classifications should the entity be unable to continue as a going concern.

(c) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2016:

- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
- AASB 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]

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

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2017 are outlined in the table below:

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 9	*Financial Instruments*	AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*. Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss. For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss. All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO. The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.	1 January 2018	1 July 2018
AASB 2016-1	Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]	This Standard amends AASB 112 *Income Taxes* (July 2004) and AASB 112 *Income Taxes* (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.	1 January 2017	1 July 2017
AASB 2016-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	This Standard amends AASB 107 *Statement of Cash Flows* (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	1 January 2017	1 July 2017
AASB 15, and relevant amending standards	*Revenue from Contracts with Customers*	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions	1 January 2018	1 July 2018

Reference	Title	Summary	Application date of standard	Application date for Group
		Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 Leases, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: ► Step 1: Identify the contract(s) with a customer ► Step 2: Identify the performance obligations in the contract ► Step 3: Determine the transaction price ► Step 4: Allocate the transaction price to the performance obligations in the contract ► Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.		
AASB 2016-5	*Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	This Standard amends AASB 2 *Share-based Payment*, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for: ► The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments ► Share-based payment transactions with a net settlement feature for withholding tax obligations ► A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	1 January 2018	1 July 2018
AASB Interpretation 22	*Foreign Currency Transactions and Advance Consideration*	The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.	1 January 2018	1 July 2018
AASB 16	*Leases*	AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an	1 January 2019	1 July 2019

Reference	Title	Summary	Application date of standard	Application date for Group
		adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.		
IFRIC 23	*Uncertainty over Income Tax Treatments*	The Interpretation clarifies the application of the recognition and measurement criteria in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: ► Whether an entity considers uncertain tax treatments separately ► The assumptions an entity makes about the examination of tax treatments by taxation authorities ► How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ► How an entity considers changes in facts and circumstances.	1 January 2019	1 July 2019

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

AASB 9 introduces among other things an expected credit loss model which replace the incurred credit loss model of AASB 139. The impact of this change is not yet finally assessed. Therefore we cannot make a reliable estimation of the quantitative impact at this stage of the implementation project.

AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures regarding revenue are also introduced. A detailed and complete impact assessment has not yet been finalised, and will be completed during the course of the next financial year.

As AASB 16 requires the Company to account for all leases on balance sheet, a detailed and complete impact assessment has not yet been finalised, and will be completed during the course of the next financial year.

Note 1a Summary of significant accounting policies continued

(d) Basis of consolidation

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

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

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

- The contractual arrangement with the other vote holders of the investee;
- The rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

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

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Note 1a Summary of significant accounting policies continued

(e) Business combinations

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group’s operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 *Financial Instruments: Recognition and Measurement* either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured.

Acquisition costs are included in other expenses.

(f) Foreign currency translation

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

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

(g) Cash and cash equivalents

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

(h) Financial instruments – initial recognition and subsequent measurement

Financial assets

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by AASB 139.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in finance costs in the statement of comprehensive income.

Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date and only if the criteria under AASB 139 are satisfied. The Group has not designated any financial assets at fair value through profit or loss.

The Group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify these financial assets. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or there is a reclassification.

Loans and receivables

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

Note 1a Summary of significant accounting policies continued

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

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs. The Group did not have any held-to-maturity investments during the years ended 30 June 2017 and 2016.

Available-for-sale financial investments
Available-for-sale financial investments include equity investments and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the income statement in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount is reclassified to the statement of comprehensive income.

Note 1a Summary of significant accounting policies continued

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income – is removed from other comprehensive income and recognised in the statement of comprehensive income. Impairment losses on equity investments are not reversed through the statement of comprehensive income; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of comprehensive income, the impairment loss is reversed through the statement of comprehensive income.

Financial liabilities

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

Note 1a Summary of significant accounting policies continued

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

Subsequent measurement
The measurement of financial liabilities depends on their classification, described as follows:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
- Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit and loss so designated at the initial date of recognition, and only if the criteria of AASB 139 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

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

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

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

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

Note 1a Summary of significant accounting policies continued

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models

(i) Inventory

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

Finished goods — purchase cost on a first-in, first-out basis. The cost of purchase comprises the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), transport, handling and other costs directly attributable to the acquisition of finished goods. Volume discounts and rebates are included in determining the cost of purchase.

Net realisable value is the estimated selling price in the ordinary course of business, and the estimated costs necessary to make the sale.

(j) Property, plant, and equipment

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

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

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

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

All other repairs and maintenance are charged to the statement of comprehensive income during the financial period when they are incurred.

Note 1a Summary of significant accounting policies continued

Depreciation

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(k) Leases

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

Group as a lessee

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

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

(l) Intangible assets

Goodwill

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

Note 1a Summary of significant accounting policies continued

Licences and Course Material

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

Licences

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

Customer Contracts

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

Brand

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

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

(m) Impairment of assets

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

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

(n) Provisions and employee benefits

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

Note 1a Summary of significant accounting policies continued

value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Based on historical evidence no discounting of annual leave has been applied. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees once an employee reaches five years of service. Expected future payments are discounted using market yields at the reporting date on the applicable corporate bonds with terms to maturity and currencies that match, the estimated future cash outflows.

(o) Taxes

Income tax

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

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

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

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

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

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

Note 1a Summary of significant accounting policies continued

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

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred

tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

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

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

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

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

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

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

(p) Revenue recognition

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

Note 1a Summary of significant accounting policies continued

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

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

(q) Government grants

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

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional grants.

(r) Comparative figures

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

(s) Operating segments

An operating segment is a component of an entity 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.

This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services;
- Nature of the production processes;
- Type or class of customer for the products and services;
- Methods used to distribute the products or provide the services; and if applicable
- Nature of the regulatory environment.

Note 1a Summary of significant accounting policies continued

Operating segments that meet the quantitative criteria as prescribed by AASB 8 *Operating Segments* are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(t) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Site Group does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

(u) Share-based payment transactions

The Group provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity settled transactions). Site Group currently has an Employee Share Plan (ESP), which provides benefits to directors and all eligible employees. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a binomial model, further details of which are given in note 25.

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

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

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity. The expense associated with equity-settled awards granted by Site Group to employees of subsidiaries are recorded as an expense in the subsidiary and funded by advances

Note 1a Summary of significant accounting policies continued

from the parent which eliminate on consolidation. The expense recognised by the Group is the total expense associated with all such awards.

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

If a non-vesting condition is within the control of the Group, Company or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Group, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited. If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(v) Contributed equity

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

(w) Fair value measurement

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

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

Note 1b Significant accounting judgements, estimates and assumptions

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

Note 1b Significant accounting judgements, estimates and assumptions continued

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

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(a) Significant accounting judgements

Recovery of deferred tax assets

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

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

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

(b) Significant accounting estimates and assumptions

Impairment of goodwill and intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units, using a value in use discounted cash flow methodology, to which the goodwill and intangibles with indefinite useful lives are allocated. An impairment loss of $22,709,064 was recognised in the current year in respect of goodwill (2016: $2,549,717). The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in note 13.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a binomial model. The related assumptions are detailed in note 25. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Revenue recognition – Course fees

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

Note 1b Significant accounting judgements, estimates and assumptions continued

Estimate of contingent consideration

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cashflows. As the amount of contingent consideration is based on future period earnings, the level of consideration is based on management's expectation of the earnings for the relevant period.

Note 1c Business Combinations and acquisitions

Wild Geese International Pty Ltd

On 1 July 2015, the Group acquired 100% of the shares in Wild Geese International Pty Ltd (Wild Geese), a Registered Training Organisation delivering training and competency development, consultancy and personnel services to the Oil and Gas Industry. The Group acquired Wild Geese because it significantly enlarged the scope of the energy services division. The acquisition was accounted for using the acquisition method.

The fair value of the identifiable assets and liabilities of Wild Geese International Pty Ltd as at the date of acquisition was:

	Fair value recognised on acquisition
	$
Assets	
Cash	1,471,428
Debtors	1,146,868
Security deposits	31,823
Property, plant and equipment	14,978
Intangibles – intellectual property including training materials	72,213
Brand	60,000
Customer contracts	2,000,000
	4,797,310
Liabilities	
Trade and other payables	355,250
Provisions	438,132
Deferred income tax liability	600,000
	1,393,382
Fair value of identifiable net assets	3,403,928
Goodwill arising from acquisition	7,237,413
Purchase consideration	**10,641,341**

Note 1c Business Combinations and acquisitions continued

Acquisition date fair value of purchase consideration transferred:	
Shares in Site Group International Limited, at fair value	4,689,736
Cash paid	2,344,868
Contingent consideration	2,000,000
Working capital - cash paid	270,000
Working capital - loan payable	1,336,737
Total purchase consideration	**10,641,341**
Net cash acquired with the subsidiary	1,471,428
Cash paid	(2,614,868)
Net cash outflow	**(1,143,440)**

The fair value of trade receivables amounted to $1,146,868. The gross amount of trade receivables was $1,146,868. None of the trade receivables were impaired and it was expected that the full contractual amount would be collected.

The goodwill recognised on the acquisition of Wild Geese International Pty Ltd was attributed to the expected benefits of combining its existing Oil and Gas operations with Site's existing offering in this area at the time of acquisition. It was allocated to the Energy Services CGU and none of the recognised goodwill was expected to be deductible for income tax purposes.

From the date of acquisition to 30 June 2016, Wild Geese International Pty Ltd contributed $4,848,310 of revenue and $630,596 of net profit before tax to the Group.

Transaction costs ($24,357) associated with the acquisition of Wild Geese were expensed and included in other expenses in the statement of comprehensive income and were part of operating cash flows in the statement of cash flows in the year ended 30 June 2016.

Pursuant to the agreement, the consideration for the acquisition comprised:

- Upfront: 3 x FY15 normalised EBITDA and;
- Earn out: 1 x FY16 normalised EBITDA

The normalised FY15 EBITDA of WGI was $2,344,868. The consideration was a combination of 1/3 cash and 2/3 equity (escrowed for up to 3 years). The Upfront equity consideration was issued at 35 cents being the 30 day VWAP to 30 June 2015 and the Earn out equity consideration was issued at the 30 day VWAP to 30 June 2016. Thus total consideration consisted of: -

(a) an initial payment at completion of $7,034,604 adjusted in accordance with the terms of the Wild Geese Agreement and payable by way of:

  (1) the issue of 13,399,240 Shares to the Wild Geese Vendors in proportion to their existing shareholding in Wild Geese; and

  (2) a cash payment of $2,344,868 in addition to a working capital payment of $1,606,737, payable to the Wild Geese vendors in proportion to their existing shareholding in Wild Geese; and

(b) an earn out payment equal to the EBITDA of Wild Geese for the 12 months ending 30 June 2016.

As at the acquisition date, the fair value of the contingent consideration was estimated to be $2,000,000. Significant unobservable valuation inputs (level 3) were assumed including budgeted EBIT of Wild Geese International Pty Ltd of $2,200,000 and a discount rate of 12%.

Note 1c Business Combinations and acquisitions continued

As at 30 June 2016, the fair value of the contingent consideration was adjusted to reflect the performance of the business over the previous 12 months and a re-measurement gain was recognised through profit or loss of $627,458. The fair value was measured using a DCF model.

Site Institute Pty Ltd (Formerly Innovium Pty Ltd)

On 1 July 2015, the Group acquired 100% of the shares in Site Institute Pty Ltd, a Registered Training Organisation which delivered a range of programs across project management and business for individuals and corporate clients. The Group acquired Site Institute because it complemented the tertiary education operations. The acquisition was accounted for using the acquisition method.

The fair value of the identifiable assets and liabilities of Site Institute Pty Ltd as at the date of acquisition was:

	Fair value recognised on acquisition $
Assets	
Cash	65,614
Debtors	22,654
Security deposits	20,263
	108,531
Liabilities	
Trade and other payables	60,656
Provisions	13,044
	73,700
Fair value of identifiable net assets	34,831
Goodwill arising from acquisition	490,732
Purchase consideration	**525,563**
Acquisition date fair value of purchase consideration transferred:	
Shares in Site Group International Limited, at fair value	210,563
Contingent consideration	315,000
Total purchase consideration	**525,563**
Net cash acquired with the subsidiary	65,614
Cash paid	-
Net cash inflow	**65,614**

Note 1c Business Combinations and acquisitions continued

From the date of acquisition to 30 June 2016, Site Institute Pty Ltd contributed $1,032,963 of revenue and $150,289 of net profit before tax to the Group.

Transaction costs ($7,253) associated with the acquisition of Site Institute were expensed and included in other expenses in the statement of comprehensive income and were part of operating cash flows in the statement of cash flows in the year ended 30 June 2016.

Pursuant to the agreement, the consideration for the acquisition comprises:

- Upfront: 1 x FY15 EBITDA being $210,563 (Equity);
- Earn out: 1 x FY16 EBITDA (2/3 Equity and 1/3 Cash); and
- Earn out: 0.5 x FY17 EBITDA (2/3 Equity and 1/3 Cash). No liability was recorded at 30 June 2016 for this component

The Upfront equity consideration was issued at 35 cents being the 30 day VWAP to 30 June 2016 and the Earn out equity consideration was issued at the 30 day VWAP to 30 June 2016 on 17 November 2016, with the exception of $70,742 of the cash component which is to be paid in June 2017.

As at the acquisition date, the fair value of the contingent consideration was estimated to be $315,000. Significant unobservable valuation inputs were assumed probability-adjusted EBIT of Site Institute Pty Ltd of $350,000 and a discount rate of 12%. The fair value was measured using a DCF model.

As at 30 June 2016, the fair value of the contingent consideration was adjusted to reflect the performance of the business over the previous 12 months and a re-measurement gain was recognised through profit or loss of $49,717.

Notes to the Financial Statements for the Year Ended 30 June 2017 continued

Note 2 Parent Company Information

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

	2017 $	2016 $
Statement of Financial Position		
Assets		
Current assets	21,347,734	22,655,463
Non-current assets	33,316,143	33,712,082
Total Assets	54,663,877	56,367,545
Liabilities		
Current liabilities	2,035,758	9,024,389
Non-current liabilities	43,048	1,637,825
Total liabilities	2,078,806	10,662,214
Net Assets	52,585,071	45,705,331
Equity		
Issued capital	65,270,118	58,820,309
Retained (losses)	(14,136,721)	(14,345,969)
Share based payments reserve	1,451,674	1,230,991
Total Equity	52,585,071	45,705,331
Statement of Comprehensive Income		
Total loss of the parent entity	(3,270,752)	(3,845,173)
Total comprehensive loss of the parent	(3,270,752)	(3,845,173)

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

Note 3 Revenue and Other Income from Continuing Operations

	Consolidated Group	
	2017	2016
Revenue from continuing operations	$	$
Revenue		
Course fees	16,962,652	13,074,623
Placement services	1,141,916	754,545
Government subsidies received	2,110,911	230,725
Project income	8,854,534	7,763,122
Other revenue	143,387	208,026
	29,213,400	22,031,041
Other income		
Write back of contingent consideration liability	-	3,375,136
Interest revenue		
Directors	-	-
Other persons	16,930	22,047
Total interest revenue on financial assets not at fair value through profit or loss	16,930	23,227

Note 4 Expenses from Continuing Operations

	Consolidated Group	
	2017	2016
Employee benefits expense	$	$
Wages and salaries	12,372,504	10,400,364
Superannuation expense	1,112,499	903,770
Payroll tax and workers compensation	752,282	825,861
Annual and long service leave	160,246	144,571
Other employment expenses	338,109	314,914
Share-based payment expense	220,684	128,870
	14,956,324	12,718,350
Other expenses		
Legal, accounting and other professional fees	1,007,679	517,832
Travel & accommodation	906,845	977,125
Sales and marketing expense	937,511	437,262
Consultants cost	551,791	832,762
Transaction costs	-	38,563
Impairment of intangibles	7,563,980	3,177,175
Impairment of receivables	113,667	-
Other	1,125,393	1,148,222
	12,206,866	7,128,941
Finance costs		
Interest expense - third parties	167,015	131,965
Interest expense - related parties	134,007	124,007
Facilities fee	5,610	3,077
	306,632	259,049

Note 5 Interests of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2017.

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

	Consolidated Group	
	2017	2016
	$	$
Short-term employee benefits	1,007,877	1,115,569
Post-employment benefits	43,967	49,985
Other long term benefits	-	-
Share-based payments	95,193	406
	1,147,037	1,165,960

Notes to the Financial Statements for the Year Ended 30 June 2017 continued

Note 6 Auditors' Remuneration

	Consolidated Group	
	2017	2016
	$	$
Remuneration of EY as auditor of the parent entity for:		
— auditing or reviewing the financial report	178,190	164,800
— taxation services	62,745	15,920
	240,935	180,720
Remuneration of other EY auditors of subsidiaries for:		
— auditing or reviewing the financial statements of subsidiaries	78,064	28,455
Remuneration of other auditors of subsidiaries for:		
— auditing or reviewing the financial statements of subsidiaries	24,605	7,250
— taxation services	10,167	33,679
	34,772	40,929

Note 7 Earnings per Share

	Consolidated Group	
	2017	2016
	$	$
a) Earnings used in calculating earnings per share		
For basic and diluted earnings per share:		
Net loss from continuing operations attributable to ordinary equity holders of the parent	(12,558,494)	(4,998,584)
Net (loss)/ profit attributable to ordinary equity holders of the parent	(50,466,491)	9,404,816
b) Weighted average number of shares	No.	No.
Weighted average number of ordinary shares for basic and diluted earnings per share	531,306,539	509,993,668
c) (Loss) / earnings per share (cents)		
(Loss) per share from continuing operations attributable to the ordinary equity holders of the parent	(2.36)	(0.98)
(Loss) / earnings per share attributable to the ordinary equity holders of the parent	(9.50)	1.84

There are no options outstanding at 30 June 2017 (Nil at 30 June 2016).

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

	Consolidated Group	
	2017	2016
	$	$
Net (loss) / profit from discontinued operations attributable to ordinary equity holders of the parent	(37,907,997)	14,403,400

Note 8 Cash and Cash Equivalents

	Consolidated Group	
	2017	2016
	$	$
Cash at bank and in hand	1,528,542	2,982,679
	1,528,542	2,982,679

Reconciliation of cash

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

Notes to the Financial Statements for the Year Ended 30 June 2017 continued

Note 9 Trade and Other Receivables

	Note	Consolidated Group 2017 $	2016 $
CURRENT			
Trade receivables		29,212,007	45,992,100
Provision for impairment	9(a)	(26,145,867)	(80,219)
		3,066,140	45,911,881
Other receivables		643,827	731,019
Total current trade and other receivables		3,709,967	46,642,900

Trade receivables includes an amount of $25,952,896 receivable from the Government Department of Education and Training (DET). The Company continues to work with DET to finalise the reconciliation payment outstanding. This reconciliation payment has now been outstanding for in excess of 18 months and there continues to be uncertainty over the process that the Department is taking, as well as the timing of the payment the Company considers is to be made by the Department.

The Company continues to assess its position with regard to whether legal action is required to be taken to recover the reconciliation payment. In light of the uncertain circumstances with regard to the reconciliation payment, Management have taken the decision to write down the full debtor value in the accounts at 30 June 2017. This provision will continue to be re-assessed as the matter progresses and does not in any way alter the belief of the Board and Management that the Company is entitled to the full reconciliation amount of $33,944,396 in full and that the monies are legitimately due and payable under the relevant legislation as it then applied.

a) Provision for impairment of receivables

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

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

	Consolidated Group 2017 $	2016 $
Opening Balance	80,219	71,036
Charge for the year	34,099,476	34,010
Amounts written off	(8,033,828)	(24,827)
Closing Balance	26,145,867	80,219

Notes to the Financial Statements for the Year Ended 30 June 2017 continued

Note 9 Trade and Other Receivables continued

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

Consolidated Group	Total	0-30 days	31-60 days PDNI*	61-90 days PDNI*	+91 days PDNI*	+91 days CI**
As at 30 June 2017						
Trade receivables	29,212,007	1,573,606	427,503	713,587	351,445	26,145,866
Other receivables	643,828	389,106	2,620	4,557	247,545	-
Total	29,855,835	1,962,712	430,123	718,144	598,990	26,145,866
As at 30 June 2016						
Trade receivables	45,992,100	1,820,855	233,623	145,613	43,711,790	80,219
Other receivables	731,019	552,281	1,353	41,957	135,428	-
Total	46,723,119	2,373,136	234,976	187,570	43,847,218	80,219

*Past due not impaired (PDNI)
**Considered impaired (CI)
(i)The total balance receivable from DET is $25,952,896

b) Financial Assets Classified as loans and receivables
See Note 28 for a discussion about the financial assets classification of trade and other receivables.

c) Related party receivables
For terms and conditions of related party receivables refer to note 27.

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

At 30 June 2017, Group Receivables, before provision for impairment, included one customer that owed $25,952,896.

e) Foreign exchange and interest rate risk
Detail regarding foreign exchange and interest rate risk exposure is disclosed in note 28.

Note 10 Inventory

	Consolidated Group	
	2017 $	2016 $
CURRENT		
Finished goods at cost	38,157	47,524
Total inventories at the lower of cost and net realisable value	38,157	47,524

Note 11 Controlled Entities

	Principle activities	Country of Incorporation	Percentage Owned (%)* 2017	2016
Subsidiaries of Site Group International Limited:				
Site Group Holdings Pty Ltd	Holding company	Australia	100%	100%
Site Education Australia Pty Ltd	Holding company	Australia	100%	100%
Site WorkReady Pty Ltd	Labour services	Australia	100%	100%
Study Corp Australia Pty Ltd (*Formerly Site Labourhire Pty Ltd*)	Holding company	Australia	100%	100%
Site Skills Group Pty Ltd	Education and training	Australia	100%	100%
Site Skills Academy Pty Ltd	Education and training	Australia	100%	100%
Site WorkReady (Philippines) Pty Ltd	Holding company	Australia	100%	100%
Axis Training Group Pty Ltd	Education and training	Australia	100%	100%
Romea Consulting Pty Ltd	Education and training	Australia	100%	100%
Site Group international Pte Ltd	Competency development	Singapore	100%	100%
Competent Project Management Sdn Bhd	Competency development	Malaysia	100%	100%
Productivity Partners Pty Ltd	Education and training	Australia	100%	100%
Wild Geese International Pty Ltd	Oil & Gas consultancy	Australia	100%	100%
Site Institute Pty Ltd *(Formerly Innovium Pty Ltd)*	Education and training	Australia	100%	100%

* Percentage of voting power is in proportion to ownership

Note 12 Property, Plant and Equipment

	Consolidated Group 2017 $	2016 $
Plant and equipment		
Leasehold improvements		
At cost	8,406,651	8,778,935
Accumulated depreciation	(1,857,668)	(1,650,614)
Net carrying amount - leasehold improvements	6,548,983	7,128,321
Capital works in progress		
At cost	158,952	160,440
Computer equipment		
At cost	1,173,681	1,119,811
Accumulated depreciation	(955,169)	(726,630)
Net carrying amount - computers	218,512	393,181
Furniture and fittings		
At cost	4,086,984	4,065,924
Accumulated depreciation	(3,194,450)	(2,848,523)
Net carrying amount - furniture and fittings	892,534	1,217,401
Vehicles		
At cost	613,055	606,516
Accumulated depreciation	(428,892)	(369,006)
Net carrying amount - vehicles	184,163	237,510
Total property, plant and equipment	8,003,144	9,136,853

Note 12 Property, Plant and Equipment continued

(a) Movements in Carrying Amounts

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

	Leasehold Improvements	Capital Works in Progress	Computers	Furniture & Fittings	Vehicles	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 30 June 2015	5,994,499	1,346,166	396,317	1,360,846	306,213	9,404,041
Additions	5,583	826,706	133,039	131,734	38,013	1,135,075
Acquisition of Subsidiaries	-	-	14,978	-	-	14,978
Transfers - in (out)	1,485,389	(2,012,432)	76,226	284,320	-	(166,497)
Disposals	(2,062)	-	(3,994)	(43,408)	-	(49,464)
Depreciation expense	(354,519)	-	(223,773)	(555,310)	(105,982)	(1,239,584)
Exchange rate differences	(569)	-	388	39,219	(734)	38,304
Balance at 30 June 2016	**7,128,321**	**160,440**	**393,181**	**1,217,401**	**237,510**	**9,136,853**
Additions	73,131	662,939	54,617	99,241	34,611	924,539
Revaluation adjustment	(53,626)	-	-	-	-	(53,626)
Transfers - in (out)	450,457	(648,288)	1,365	127,822	-	(68,644)
Disposals	(22,677)	-	-	(2,110)	-	(24,787)
Depreciation expense	(396,053)	-	(229,746)	(516,371)	(76,923)	(1,219,093)
Exchange rate differences	(630,570)	(16,139)	(905)	(33,449)	(11,035)	(692,098)
Balance at 30 June 2017	**6,548,983**	**158,952**	**218,512**	**892,534**	**184,163**	**8,003,144**

(b) Finance Leases

The carrying value of vehicles held under finance leases and hire purchase contracts at 30 June 2017 was $184,163 (2016: 237,510). Additions during the year include $34,611 (2016: $38,013) of vehicles under hire purchase contracts. Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liability.

Note 13 Intangible Assets

	Consolidated Group 2017 $	Consolidated Group 2016 $
Non-Current		
Goodwill		
Net carrying value	4,375,463	27,084,527
Training licences and course material		
Cost	2,572,044	2,535,284
Accumulated amortisation	(1,887,173)	(1,514,426)
Net carrying value	684,871	1,020,858
Licences		
Cost	-	923,000
Accumulated amortisation	-	(92,300)
Net carrying value	-	830,700
Customer contracts		
Cost	1,615,542	1,615,542
Accumulated amortisation	(1,262,599)	(909,667)
Net carrying value	352,943	705,875
Brand		
Net carrying value	60,000	133,000
Software development		
Cost	1,009,990	876,598
Accumulated amortisation	(706,143)	(349,844)
Net carrying value	303,847	526,754
Total intangible assets	5,777,124	30,301,714

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 $	Employment & Service Contracts $	Licences $	Customer* Contracts $	Brand** $	Software Development	Total $
Consolidated Group:								
Balance at 30 June 2015	21,906,099	1,370,464	54,150	876,850	54,000	73,000	476,137	24,810,700
Additions	-	82,386	-	-	-	-	156,791	239,177
Transfers in	-	50,803	-	-	-	-	115,695	166,497
Acquisition of Subsidiaries	7,728,145	-	-	-	2,000,000	60,000	72,213	9,183,183
Impairments	(2,549,717)	-	-	-	(627,458)	-	-	(2,500,000)
Amortisation expense	-	(500,716)	(54,150)	(46,150)	(720,667)	-	(294,082)	(1,615,763)
Exchange rate differences	-	17,920	-	-	-	-	-	17,920
Balance at 30 June 2016	27,084,527	1,020,858	-	830,700	705,875	133,000	526,754	30,301,714
Additions	-	48,901	-	-	-	-	132,117	181,018
Transfers in	-	21,091	-	-	-	-	1,276	22,367
Impairments***	(22,709,064)	-	-	(788,396)	-	(73,000)	-	(23,570,460)
Amortisation expense	-	(384,783)	-	(42,304)	(352,932)	-	(356,300)	(1,136,319)
Exchange rate differences	-	(21,196)	-	-	-	-	-	(21,196)
Balance at 30 June 2017	4,375,463	684,871	-	-	352,943	60,000	303,847	5,777,124

**The remaining life of Customer contracts is 1 year*

*** Total brand value relates to the energy services CGU*

****Impairments relate to tertiary education CGU ($16,006,480) and energy services CGU ($7,563,980) (refer note 4)*

Note 13 Intangible Assets continued

b) Impairment

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

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

The cash-generating units with significant amounts of goodwill are the energy services and the tertiary education units. In the period to 30 June 2017, the closure of Productivity Partners business for the tertiary education unit (refer Note 22 for a description) has changed such that the Group sought to reassess impairment for the non-current assets (primarily goodwill) in that cash-generating unit.

Tertiary education cash-generating unit

The Group used the cash-generating unit's value-in-use to determine the recoverable amount. The projected cash flows were updated to reflect the latest budgets and a pre-tax discount rate of 16.6% (30 June 2016: 16.6%) was applied The terminal growth rate applied is 0% (30 June 2016: 0%).

As a result of this analysis, management recognised an impairment charge of $15,145,084 against goodwill, $788,396 against customer contracts and $73,000 against brand. The impairment charges are recorded in the discontinued operations at note 23.

Energy services cash-generating unit

The Group used the cash-generating unit's value-in-use to determine the recoverable amount, which exceeded the carrying amount. The projected cash flows were updated to reflect the latest budgets and a pre-tax discount rate of 16.6% (30 June 2016: 16.6%) was applied. The terminal growth rate applied is 0% (30 June 2016: 0%).

As a result of this analysis, management recognised an impairment charge of $7,563,980 against goodwill. The impairment charge is recorded in other expenses in the Statement of Comprehensive Income.

The calculation of value in use for the CGU's is most sensitive to the gross margins and discount rates.

Gross Margins
Gross margins are assumed to be maintained at historical levels. The Gross margin was 19% for the energy services CGU and 12% for the tertiary education CGU for the ongoing business.

A decrease in demand can lead to a decline in the gross margin. A decrease in the gross margin to 8.89% would result in an impairment to the energy services CGU.

Note 13 Intangible Assets continued

Discount Rates

The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). A rise in the discount rate to 37.54% would result in an impairment to the energy services CGU. A rise in the discount rate to 73% would result in an impairment to the tertiary education CGU.

CGU	Tertiary		Energy		Site Skills Training (Domestic)	
	2017	2016	2017	2016	2017	2016
Carrying amount of goodwill	441,015	15,586,099	3,737,413	11,301,393	197,035	197,035

Note 14 Other Financial Assets

	Consolidated Group	
	2017 $	2016 $
Non-current financial assets		
Investments - Philippine treasury bills	90,022	107,070
	90,022	107,070

Note 15 Trade and Other Payables

	Consolidated Group	
	2017 $	2016 $
Unsecured liabilities		
Trade payables	7,000,957	5,935,248
Employee related payables	592,830	462,980
Unearned income	1,231,415	20,659,866
Accruals	2,074,048	2,203,124
Other payables	70,055	80,842
Total trade and other payables	10,969,305	29,342,060

Trade payables includes commission payable on receipt of the reconciliation payment receivable from the DET.

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

(b) Related party payables
For terms and conditions relating to related party payables refer to note 27.

(c) Interest rate, foreign exchange and liquidity risk
Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in note 28.

Note 16 Interest Bearing Debt

Current financial liabilities

Refer to note 27(d) for details of the undrawn related party debt facility.

	Consolidated Group	
	2017	2016
	$	$
Finance lease liability due within 12 months	73,168	87,649
Unsecured related party loans due within 12 months	638,380	2,673,066
Unsecured loans due within 12 months	-	2,749,519
	711,548	5,510,234

Non-current financial liabilities

	Consolidated Group	
	2017	2016
	$	$
Finance lease liability	81,825	67,199
Unsecured loan	24,727	27,585
	106,552	94,784

Notes to the Financial Statements for the Year Ended 30 June 2017 continued

Note 17 Taxation

	Consolidated Group	
	2017	2016
	$	$
a) Income tax credit		
The major components of income tax benefit are:		
Statement of comprehensive income		
Current income tax:		
Current income tax benefit	(1,606,749)	(3,547,545)
Adjustments in respect of current income tax of previous years	(72,577)	(50,858)
Deferred income tax:		
Relating to origination and reversal of timing differences	(426,189)	(676,535)
Income tax benefit reported in the statement of comprehensive income	(2,105,515)	(4,274,938)
b) Numerical reconciliation between aggregate tax (credit) / expense		
A reconciliation between tax expense and the product of accounting		
Accounting loss before tax from continuing operations	(14,664,009)	(9,273,522)
Accounting (loss) / profit before tax from discontinued operations	(36,827,691)	19,460,768
At the parent entity's statutory income tax rate of 30% (2016 - 30%)	(15,447,510)	3,056,174
Differential in overseas tax rate to Australian tax rate	56,504	759,601
Non-assessable income	95,776	(997,817)
Non-deductible expenses	(54,661)	521,150
Utilisation of previously unrecognised tax losses	-	(2,258,191)
Adjustments in respect of current income tax of previous years	(295,806)	(50,858)
Impairment of Intangible assets	6,834,619	764,915
Derecognition of taxable temporary differences	7,785,869	-
Contingent consideration remeasurement	-	(1,012,541)
Income tax expense	(1,025,209)	782,430
Income tax benefit reported in the statement of comprehensive income	(2,105,515)	(4,274,938)
Income tax attributable to a discontinued operation	1,080,306	5,057,368
Income tax expense	(1,025,209)	782,430

A deferred tax asset has not been recognised on the provision against the Department of Education and Training (DET) receivable amounting to $25,952,896 based on there being uncertainty of the amount and timing of recoverability of the deferred tax asset.

Note 17 Taxation continued

c) Deferred tax

	Consolidated statement of financial position 2017 $	Consolidated statement of financial position 2016 $	Consolidated statement of profit or loss 2017 $	Consolidated statement of profit or loss 2016 $
Accrued expenses	516,719	509,927	(6,792)	(509,927)
Superannuation payable	45,402	39,172	(6,230)	(39,172)
Provision for leave balance	184,612	150,922	(33,690)	(150,922)
Provision for impairment of receivables	30,791	24,066	(6,725)	(24,066)
Provision for re-credits	241,394	-	(241,394)	-
Customer contracts	(106,538)	(212,093)	(105,555)	(411,343)
Licences	-	(249,210)	(249,210)	(13,844)
Losses available for offsetting against future taxable income	132,082	-	(132,082)	-
Deferred tax (benefit)			**(649,596)**	**(1,149,274)**
Net deferred tax assets	**1,044,462**	**262,784**		

	2017 $	2016 $
Reflected in the statement of financial position as follows:		
Deferred tax assets		
Continuing Operations	821,492	500,858
Discontinued Operations	329,508	223,229
Deferred tax liabilities		
Continuing Operations	(106,538)	(212,093)
Discontinued Operations	-	(249,210)
Deferred tax assets, net	**1,044,462**	**262,784**

Reconciliation of deferred tax asset /(liabilities) net	2017 $	2016 $
As of 1 July	262,784	(286,490)
Tax income during the period recognised in profit or loss	426,189	676,535
Discontinued operations	355,489	472,739
Deferred taxes acquired in business combinations	-	(600,000)
As at 30 June	**1,044,462**	**262,784**

Note 18 Provisions

	Consolidated Group 2017 $	Consolidated Group 2016 $
Current		
Employee - annual leave	537,155	489,462
Other	842,764	35,194
	1,379,919	524,656

Note 18 Provisions continued

(a) Movement in provisions

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

	13th Month Pay provision $	Provision for re-credits $	Total $
At 30 June 2015	22,773	-	22,773
Arising during the year	35,194	-	35,194
Utilised	(22,773)	-	(22,773)
At 30 June 2016	35,195	-	35,195
Arising during the year	38,117	804,647	842,764
Utilised	(35,195)	-	(35,195)
At 30 June 2017	38,117	804,647	842,764

The Extra month pay provision relates to staff obligations in the Philippines.

	Consolidated Group	
Non-current	2017 $	2016 $
Provision for pension liability	109,282	102,701
Provision for long service leave	104,068	13,612
Provision for lease rental incentive	2,157,077	2,182,390
	2,370,427	2,298,703

(b) Movement in provisions

Movements in provisions are set out below:

	Lease Rental $	Pension Liability $	Long Service Leave $	Total $
At 30 June 2015	2,015,795	57,121	12,477	2,085,393
Arising during the year	-	45,580	-	45,580
Acquistion of subsidiaries	166,595	-	-	166,595
Utilised/provision released	-	-	1,135	1,135
At 30 June 2016	2,182,390	102,701	13,612	2,298,703
Arising during the year	11,613	6,581	99,426	117,620
Utilised/provision released	(36,926)	-	(8,970)	(45,896)
At 30 June 2017	2,157,077	109,282	104,068	2,370,427

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

Note 18 Provisions continued

(c) Analysis of Total Provisions

	Consolidated Group 2017 $	Consolidated Group 2016 $
Current	1,379,919	524,656
Non-current	2,370,427	2,298,703
	3,750,346	2,823,359

(d) Lease Rental Incentive

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

Note 19 Contingent Consideration Liability

	Consolidated Group 2017 $	Consolidated Group 2016 $
Current		
Payable in equity	-	1,091,883
Payable in cash	-	545,942
	-	1,637,825

Contingent consideration arises due to the earn-out components of acquisitions completed during the year. Refer Note 1c.

Movement in contingent consideration	**$**
Current	
At 1 July 2015	4,914,874
Earn out consideration - Captain Cook	(3,884,326)
Earn out consideration - CPM	(432,587)
Write back to other income	(1,597,961)
Transfer from non-current - Tesol	1,000,000
Earn out payable - Wild Geese	2,000,000
Earn out payable - Innovium	315,000
Write back to other income – Wild Geese and Innovium	(677,175)
At 30 June 2016	1,637,825
Earn out consideration paid equity - Wild Geese	(915,028)
Earn out consideration paid cash - Wild Geese	(457,514)
Earn out consideration paid equity - Site Institute	(176,855)
Earn out consideration paid cash - Site Institute	(88,428)
Earn out consideration shares to be issued - Site Institute	(15,000)
At 30 June 2017	-
Non-current	
At 1 July 2015	1,000,000
Transfer to current - Tesol	(1,000,000)
At 30 June 2016	-

Note 20 Issued Capital

	Consolidated Group	
	2017	2016
	$	$
597,017,765 fully paid ordinary shares; 1,116,000 partly paid ordinary shares (2016: 522,792,229 fully paid)	78,019,621	71,442,950
Cost of capital raising	(2,276,781)	(2,149,919)
	75,742,840	69,293,031

(a) Ordinary Shares

	No. Shares	$
30 June 2015 share capital	484,824,119	57,374,746
Share issue - 1 July 2015	5,714,286	2,000,000
Share issue - 10 July 2015	601,609	210,563
Share issue - 22 September 2015	382,973	-
Share issue - 19 October 2015	7,684,954	2,689,735
Share issue - 25 November 2015	10,805,033	3,025,409
Share issue - 3 December 2015	2,499,999	700,000
Share buy back - 3 December 2015 & 8 December 2015	(200,000)	-
Share buy back - 21 December 2015	(2,615,000)	-
Share issue - 21 December 2015	884,285	247,600
Share issue - 21 December 2015	1,235,964	432,587
Share issue - 21 December 2015	7,398,719	2,589,551
Share issue - 30 December 2015	3,575,288	1,001,080
Write back of TESOL acquistion share issue	-	(1,100,000)
Payments received under exercise of employee share plan	-	200,000
Transaction costs relating to capital raising	-	(78,240)
30 June 2016 share capital	522,792,229	69,293,031
Share issue - 8 November 2016	730,000	-
Share issue - 8 November 2016	418,858	78,777
Share issue - 17 November 2016	4,865,348	915,027
Share issue - 17 November 2016	940,219	176,854
Share issue - 24 November 2016	4,382,111	1,226,991
Share issue - 22 June 2017	62,889,000	2,515,560
Transaction costs relating to capital raising	-	(126,862)
Shares to be issued as repayment for loan - 30 June 2017	-	1,663,462
30 June 2017 share capital	597,017,765	75,742,840

- On 1 July 2015, under the terms of the acquisition agreement for Wild Geese International Pty Ltd, the company issued 5,714,286 shares to the vendor shareholder at the issue share price of $0.35 per share.
- On 10 July 2015, under the terms of the acquisition agreement for Innovium Pty Ltd, the company issued 601,609 shares to the vendor shareholder at the issue share price of $0.35 per share.
- On 27 August 2015 the company received payment for the release of shares under the employee share scheme.
- On 22 September 2015, the company issued 382,973 bonus shares at no cost to an employee in lieu of cash based remuneration, allowing management to participate in the growth of Site Group International Limited as shareholders.
- On 29 September 2015 the company received payment for the release of shares under the employee share scheme.

Note 20 Issued Capital continued

- On 19 October 2015, under the terms of the acquisition agreement for Wild Geese International Pty Ltd, the company issued 7,684,954 shares to the vendor shareholder at the issue share price of $0.35 per share.
- On 25 November 2015, the company completed the issue of 10,805,033 shares under a private placement of shares at $0.28 per share.
- On 3 December 2015, the company completed the issue of 2,499,999 shares under a private placement of shares at $0.28 per share.
- On 3 December 2015 and 8 December 2015, the company completed a buy-back of shares issued under the Employee Share Plan and sign on shares forfeited by employees when they resigned from the group.
- On 21 December 2015, the company completed a buy-back of shares issued under the Employee Share Plan and sign on shares forfeited by employees when they resigned from the group.
- On 21 December 2015, the company completed the issue of 884,285 shares under a private placement of shares at $0.28 per share.
- On 21 December 2015, under the terms of the acquisition agreement for Competent Project Management Pte Ltd, the company issued 1,235,964 shares to the vendor shareholder at the issue share price of $0.35 per share.
- On 21 December 2015, under the terms of the acquisition agreement for Productivity Partners Pty Ltd t/a Captain Cook College, the company issued 7,398,719 shares to the vendor shareholder at the issue share price of $0.35 per share.
- On 30 December 2015, the company completed the issue of 3,575,288 shares under a private placement of shares at $0.28 per share.
- On 30 June 2016, the company wrote back for accounting purposes 7,857,143 shares issued at $0.14 in relation to TESOL Asia Group not achieving its milestone incentive.
- On 8 November 2016, the company issued 730,000 sign-on shares at no cost to employees in lieu of cash based remuneration and allowing management to participate in the growth of Site Group International Limited as shareholders.
- On 8 November 2016, the company issued 418,858 bonus shares at an issue price of 18.8 cents. The shares were issued at no cost to employees in lieu of cash based remuneration and allowing management to participate in the growth of Site Group International Limited as shareholders.
- On 17 November 2016, under the terms of the acquisition agreement for Wild Geese International Pty Ltd, the company issued 4,865,348 shares to the vendor shareholder at the issue share price of $0.19 per share.
- On 17 November 2016, under the terms of the acquisition agreement for Site Institute Pty Ltd, the company issued 940,219 shares to the vendor shareholder at the issue share price of $0.19 per share.
- On 24 November 2016, the company completed the issue of 4,382,111 shares to Directors at the issue share price of $0.28 per share.
- On 22 June 2017, the company completed the issue of 62,889,000 shares under a private placement of shares at $0.04 per share.
- On the 30 June 2017, the Company converted $1,663,462 in loans payable to equity. The shares are to be issued pending shareholder approval. The share conversion the agreements were signed pre 30 June 2017. Where shareholder approval is merely a governance exercise, then it can be deemed to be under the control of the Company. The debt is then effectively extinguished at the date of the signed agreement and the shareholders committed to subscribing for the shares.

Note 20 Issued Capital continued

b) Options

i. For information relating to the Site Group International Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end. Refer to Note 25: Share-based Payments.
ii. No options were issued to key management personnel during the financial year.

c) Capital Management

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

During 2017, management have not paid any dividends.

Note 21 Capital and Leasing Commitments

	Consolidated Group	
	2017	2016
	$	$
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised		
Payable — minimum lease payments		
not later than 12 months	2,069,883	1,926,179
between 12 months and 5 years	4,908,333	3,228,554
greater than 5 years	7,589,368	7,083,530
	14,567,584	12,238,263

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

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

(b) Finance Lease

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

Note 21 Capital and Leasing Commitments continued

	2017		2016	
	Minimum Payments	Present Value of payments	Minimum Payments	Present Value of payments
	$	$	$	$
Payable — lease payments				
not later than 12 months	72,341	71,271	96,098	87,649
between 12 months and 5 years	94,929	91,343	69,950	67,199
greater than 5 years	-	-	-	-
	167,270	162,614	166,048	154,848

Note 22 Operating Segments

For management purposes Site Group International Limited 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 Company, review the results on this basis.

The four reportable business segments of the Group are:

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

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

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

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

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

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

Note 22 Operating Segments continued

Year ended 30 June 2017

	Site Skills Training (Domestic)	Site Skills Training (International)	Energy Services	Tertiary Education	Total Segments	Corporate and Eliminations	Total
	$	$	$	$	$	$	$
Revenue							
Sales revenue - external customer	11,933,746	9,029,449	9,212,098	601,344	30,776,637	(1,563,237)	29,213,400
Sales revenue - inter-segment	-	54,220	-	-	54,220	(54,220)	-
Total segment revenue	11,933,746	9,083,669	9,212,098	601,344	30,830,857	(1,617,457)	29,213,400
Segment net operating (loss) before tax	**(1,512,742)**	**(22,197)**	**439,095**	**(1,068,931)**	**(2,164,775)**	**(12,499,234)**	**(14,664,009)**
Interest revenue	-	5,699	1,543	-	7,242	9,688	16,930
Interest expense	(12,307)	(10,119)	-	(510)	(22,936)	(283,696)	(306,632)
Depreciation and amortisation	(895,328)	(553,263)	(678,019)	(19,965)	(2,146,575)	(71,224)	(2,217,799)
EBITDA	**(605,107)**	**535,485**	**1,115,571**	**(1,048,455)**	**(2,506)**	**(12,154,002)**	**(12,156,508)**
Segment assets as at 30 June 2017	3,812,216	8,161,944	6,145,686	1,106,843	19,226,689	1,310,375	20,537,064
Segment liabilities as at 30 June 2017	2,205,739	3,474,944	463,324	611,512	6,755,519	1,963,130	8,718,649
Capital expenditure as at 30 June 2017	392,465	642,173	5,500	15,797	1,055,935	14,608	1,070,543

Year ended 30 June 2016

	Site Skills Training (Domestic)	Site Skills Training (International)	Energy Services	Tertiary Education	Total Segments	Corporate and Eliminations	Total
	$	$	$	$	$	$	$
Revenue							
Sales revenue - external customer	9,872,359	3,758,718	7,972,060	427,904	22,031,041	-	22,031,041
Sales revenue - inter-segment	-	896,649	-	-	896,649	(896,649)	-
Total segment revenue	9,872,359	4,655,367	7,972,060	427,904	22,927,690	(896,649)	22,031,041
Segment net operating profit/ (loss) before tax	**(1,524,510)**	**(2,933,160)**	**(357,733)**	**(14,569)**	**(4,829,972)**	**(4,443,550)**	**(9,273,522)**
Interest revenue	-	5,936	4,536	-	10,472	11,575	22,047
Interest expense	(5,184)	(10,901)	(38)	(239)	(16,362)	(242,687)	(259,049)
Depreciation and amortisation	(934,286)	(531,857)	(1,109,931)	(11,612)	(2,587,686)	(104,752)	(2,692,438)
EBITDA	**(585,040)**	**(2,396,338)**	**747,700**	**(2,718)**	**(2,236,396)**	**(4,107,686)**	**(6,344,082)**
Segment assets as at 30 June 2016	3,673,339	8,481,713	14,186,508	863,035	27,204,595	1,523,403	28,727,998
Segment liabilities as at 30 June 2016	1,710,426	3,312,365	2,034,025	398,385	7,455,201	10,679,457	18,134,658
Capital expenditure as at 30 June 2016	358,924	830,083	15,632	24,419	1,229,058	69,320	1,298,378

The segment disclosures above do not include the discontinued operation. Refer to note 23 for more information.

Notes to the Financial Statements for the Year Ended 30 June 2017 continued

Note 22 Operating Segments continued

	Consolidated Group 2017	Consolidated Group 2016
	$	$
Reconciliation of loss		
Segment loss	(2,164,775)	(4,829,972)
Inter-company management fees	144,000	438,000
Head office occupancy costs	(150,212)	(175,247)
Corporate employee benefits including Directors costs	(2,682,843)	(2,905,219)
Legal accounting and other professional fees	(381,661)	(299,540)
Travel costs	(224,164)	(370,437)
Impairment of goodwill	(7,563,980)	-
Other corporate costs	(1,640,374)	(1,131,107)
Group loss before tax from continuing operations	(14,664,009)	(9,273,522)
Reconciliation of assets		
Segment operating assets	19,226,689	27,204,595
Cash at bank	333,681	35,104
Security deposits	348,086	398,798
Intangibles	198,028	198,293
Other assets	430,580	891,208
Group operating assets	20,537,064	28,727,998
Reconciliation of liabilities		
Segment operating liabilities	6,755,519	7,455,201
Corporate trade payables	2,201,579	1,469,755
Contingent consideration liability	-	1,637,825
Interest bearing debt	638,380	5,385,486
Current tax liabilities	(1,137,190)	1,982,562
Other liabilities	260,361	203,829
Group operating liabilities	8,718,649	18,134,658

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

Year ended 30 June 2017

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

Note 22 Operating Segments continued

Year ended 30 June 2016

	Australia	Asia	Corporate and Eliminations	Total
	$	$	$	$
Revenue				
Sales revenue - external	15,107,674	6,923,367	-	22,031,041
Sales revenue - inter segment	-	896,649	(896,649)	-
Total segment revenue	15,107,674	7,820,016	(896,649)	22,031,041
Segment net operating (loss) before tax	(1,309,005)	(3,520,967)	(4,443,550)	(9,273,522)
Non-current assets	11,225,384	11,871,501	1,280,214	24,377,099

Note 23 Discontinued Operations

During the year, 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 Government passed legislative changes.

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

	2017	2016
	$	$
Revenue	16,488,860	42,156,993
Expenses	(11,357,175)	(22,696,225)
Operating income	5,131,685	19,460,768
Impairment of intangible assets	(16,006,480)	-
Impairment of receivables	(25,952,896)	-
(Loss) / profit before tax from discontinued operations	(36,827,691)	19,460,768
Tax expense	(1,080,306)	(5,057,368)
(Loss) / profit after tax from discontinued operations	(37,907,997)	14,403,400

A review of the carrying value of all intangibles has resulted in a total non-cash impairment of $16,006,480 at 30 June 2017 (refer to note 13).

Impairment of receivables relates to the debtor receivable from the Department of Education and Training. Management have taken the decision to write down the full debtor value in the accounts at 30 June 2017 in light of the uncertain circumstances (refer to note 9).

Note 23 Discontinued Operations continued

The major classes of assets and liabilities of Productivity Partners Pty Ltd as at 30 June 2017 are as follows:

	2017 $	2016 $
Assets		
Intangible assets	35,939	16,067,801
Property, plant and equipment	157,054	240,124
Debtors	27,267	43,829,647
Cash & short term deposits	9,662	1,821,621
Deferred tax asset	329,508	-
Other assets	78,076	127,030
	637,506	62,086,223
Liabilities		
Creditors	(4,940,018)	(23,031,115)
Deferred tax liability	-	(249,210)
Interest bearing debt	(15,262)	(20,231)
Provisions	(814,577)	(32,025)
Current tax liabilities	(1,659,024)	(5,057,368)
	(7,428,881)	(28,389,949)

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

	2017 $	2016 $
Operating	799,293	(9,215,781)
Investing	(2,611,252)	10,166,250
Financing	-	-
Net cash (outflow) / inflow	(1,811,959)	950,469

Earnings per share	2017	2016
Basic and diluted (loss) / profit for the year from discontinued operations (cents per share)	(7.14)	2.82

Note 24 Cash Flow Information

	Consolidated Group 2017 $	Consolidated Group 2016 $
Reconciliation of net (loss) / profit after tax to net cash flows from operations		
(Loss) / Profit after income tax expense	(50,466,491)	9,404,816
Non cash items		
Depreciation and amortisation	2,355,412	2,855,346
Foreign exchange loss	248,965	168,299
Share based payments expense	220,684	128,870
Impairment for non current assets	23,570,460	3,177,175
Write back of contingent consideration liability	-	(3,375,136)
Net loss on sale of plant & equipment	20,241	34,918
	(24,050,729)	12,394,288
Change in assets and liabilities		
Decrease / (Increase) in receivables	42,932,933	(44,294,548)
Decrease / (Increase) in inventory	9,367	(6,182)
(Decrease) / Increase in payables and accruals	(18,183,162)	25,607,269
Increase / (Decrease) in provisions	926,987	335,460
Other working capital movements	(1,729,118)	1,128,439
Net cash used in operating activities	(93,722)	(4,835,274)

Note 25 Share Based Payments

(a) Recognised share-based payment expenses

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

	Consolidated Group 2017 $	Consolidated Group 2016 $
Employee services		
Expense arising from the amortisation of employee sign on and bonus shares	216,886	17,282
Expense arising from the amortisation of the employee share plan	3,798	111,588
Total expense arising from share based payment transactions	220,684	128,870

In November 2011 the Shareholders approved the establishment of an Employee Share Plan that would enable employees, directors and eligible associates to subscribe for shares in the Company. Under the terms of the plan an eligible person is offered shares in the Company at a price determined by the board ($0.20 per share) with a corresponding interest free loan to assist the person to subscribe for the shares. The shares are escrowed in two tranches with 50% being escrowed for 12 months and 50% being escrowed for 24 months. To be able to access the shares the person must continue to be an employee, associate or director at the time the shares are released from escrow. The loan from the Company must be repaid prior to the shares being sold or transferred by the employee.

Note 25 Share Based Payments continued

Employee Share plan	Issued 9 May 2012		Issued 6 September 2013		Issued 30 October 2014	
	Tranche 1 Escrowed for 12 Months	Tranche 2 Escrowed for 24 Months	Tranche 1 Escrowed for 12 Months	Tranche 2 Escrowed for 24 Months	Tranche 1 Escrowed for 12 Months	Tranche 2 Escrowed for 24 Months
Number of shares issued	3,015,000	3,015,000	2,475,000	2,475,000	627,500	627,500
Fair Value	$78,147	$133,483	$16,910	$39,886	$13,364	$22,728
Price paid per share	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20
Discount to market price at time of issue	-	-	-	-	-	-
Market price of shares at grant date	$0.16	$0.16	$0.12	$0.12	$0.16	$0.16
Expected volatility	52.25%	52.25%	52.25%	52.25%	52.25%	52.25%
Risk free interest rate	3.75%	3.75%	3.75%	3.75%	2.6%	2.6%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Escrow period of shares	12 months	24 months	12 months	24 months	12 months	24 months

(b) Share Option Plan (SOP)

There were no employee options outstanding at 30 June 2017. All options expired on 26 November 2013.

Note 26 Events after the Reporting Period

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

Note 27 Related Party Transactions

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

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

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

Notes to the Financial Statements for the Year Ended 30 June 2017 continued

Note 27 Related Party Transactions continued

(b) Transactions with related parties:

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

(c) Amounts outstanding from related parties

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

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

(d) Amounts outstanding from related parties

	Consolidated Group	
	2017 $	2016 $
Interest bearing loan - Wayburn Holdings Pty Ltd	580,842	2,464,308
Shares to be issued - Wayburn Holdings Pty Ltd	750,000	-
Interest bearing loan – Non-Executive Directors	-	208,758
Shares to be issued – Non-Executive Directors	913,462	-
Interest paid for the period – Wayburn Holdings Pty Ltd	127,372	114,308
Interest paid for the period – Non-Executive Directors	40,843	8,758

On 3rd May 2012 Wayburn Holdings Pty Ltd, a company associated with Managing Director and CEO Mr Vernon Wills established an unsecured loan facility for $2.0 million. The interest rate of 7.0% per annum on the drawn component calculated and credited monthly. The facility was for a 12-month term and was repaid by the company prior to 30 June 2013. On 26 August 2013, the company renewed this facility on the same terms for a 12-month term to 31 August 2014 and then on to 31 August 2015 with an increase to the facility to $4 million.

In the 3 months ended 31 December 2015 the company drew down $2.35 million from the loan facility. On 17 February 2016, the company renewed this facility with Wayburn Holdings Pty Ltd for $2.35 million on the same terms to 31 December 2016.

Note 27 Related Party Transactions continued

On 24 November 2016, the company made a repayment to Wayburn Holdings Pty Ltd with the issue of 3,667,825 shares at the issue share price of $0.28 per share. At 31 December 2016 the company owed $1,331,203 to Wayburn Holdings Pty Ltd at an interest rate of 7% per annum.

On 22 February 2017, the company renewed its facility with Wayburn Holdings Pty Limited for $1,322,009 at an interest rate of 7%, with the amount repayable at the earlier of collection of the overdue receivable from the Government Department of Education and Training or February 2018. Interest charged on the loan was $127,372 to 30 June 2017 (to 30 June 2016: $114,308).

On 30 June 2017, the Company made a repayment to Wayburn Holdings Pty Ltd with the conversion of $750,000 to equity in the Company. The shares are to be issued at 0.04 cents pending shareholder approval. Thus the remaining balance owing to Wayburn Holdings at 30 June 2017 is $573,009.

In November 2015, the company drew down $200,000 from loan facilities with non-executive directors. The loans were repaid in November 2016 with the issue of 714,286 shares at the issue share price of $0.28 per share.

On 30 June 2017, the Company made a repayment to non-executive directors with the conversion of $863,462 to equity in the Company. In addition, Stuart Andrew Pty Limited committed to participate $50,000 in the share placement. The shares are to be issued at 0.04 cents pending shareholder approval.

Note 28 Financial Risk Management

(a) Liquidity Risk

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

	Note	Consolidated Group	
		2017 $	2016 $
Financial assets			
Cash and cash equivalents	8	1,528,542	2,982,679
Loans and receivables	9	3,709,967	46,642,900
Other non-current financial assets	14	90,022	107,070
Total financial assets		5,328,531	49,732,649
Financial liabilities			
Current contingent consideration	19	-	1,637,825
Financial liabilities at amortised cost			
— Trade and other payables	15	9,927,483	8,682,194
— Borrowings	16	711,548	5,510,234
Non-current interest bearing debt	16	106,552	94,784
Total financial liabilities		10,745,583	15,925,037

Note 28 Financial Risk Management continued

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

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables	9,927,483	8,682,194	-	-	-	-	9,927,483	8,682,194
Borrowings	711,548	5,510,234	-	-	-	-	711,548	5,510,234
Contingent consideration	-	1,637,825	-	-	-	-	-	1,637,825
Other non-current financial liabilities	-	-	106,552	94,784	-	-	106,552	94,784
Total expected outflows	10,639,031	15,830,253	106,552	94,784	-	-	10,745,583	15,925,037
Financial assets - cash flows realisable								
Cash and cash equivalents	1,528,542	2,982,679	-	-	-	-	1,528,542	2,982,679
Loans and receivables	3,709,967	46,642,900	-	-	-	-	3,709,967	46,642,900
Other non-current financial assets	-	-	90,022	107,070	-	-	90,022	107,070
	5,238,509	49,625,579	90,022	107,070	-	-	5,328,531	49,732,649
Net (outflow) / inflow	(5,400,522)	33,795,326	(16,530)	12,286	-	-	(5,417,052)	33,807,612

(b) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's holding of cash borrowings. At balance date, the Group had the following mix of financial assets exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	Consolidated Group	
	2017	2016
Financial assets	$	$
Cash and cash equivalents	1,528,542	2,982,679

	Post Tax Profit higher / (lower)		Other Comprehensive Income higher / (lower)	
	2017	2016	2017	2016
Consolidated	$	$	$	$
+ 1% (100 basis points)	22,556	26,289	-	-
- .5% (50 basis points)	(11,278)	(13,145)	-	-

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate. As a result of operations in Asia, the Group's statement of financial position can be affected by movements in the PHP, USD, SGD and MYR. The Group's foreign currency-denominated monetary assets and liabilities are shown below.

Note 28 Financial Risk Management continued

	Consolidated Group 2017 $	Consolidated Group 2016 $
Financial assets		
Cash and cash equivalents	304,547	730,180
Loans and receivables	902,085	592,745
Total financial assets	1,206,632	1,322,925
Financial liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	(617,718)	(829,682)
Total financial liabilities	(617,718)	(829,682)
Net exposure	588,914	493,243

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

	Post tax profit higher / (lower)		Other comprehensive income higher / (lower)	
	2017 $	2016 $	2017 $	2016 $
Consolidated				
USD Rate+15%	33,582	26,910	-	-
USD Rate-15%	(24,822)	(19,890)	-	-
PhP Rate +15%	86,059	250,315	-	-
PhP Rate -15%	(63,608)	(185,015)	-	-
SGD Rate +15%	91,079	17,074	-	-
SGD Rate -15%	(67,319)	(20,406)	-	-
MYR Rate +15%	7,461	80,306	-	-
MYR Rate -15%	(5,515)	(59,357)	-	-

(d) Price risk

The group is not materially exposed to price risk.

(e) Credit risk

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

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

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

Note 29 Retained Earnings/ (Losses) and Reserves

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

	Consolidated Group	
	2017	2016
	$	$
Balance 1 July	(22,279,765)	(31,660,257)
Net (loss) / profit for the period	(50,466,491)	9,404,816
Other comprehensive income / (loss)	21,393	(24,324)
Balance 30 June	(72,724,863)	(22,279,765)

(b) Other reserves

	Consolidated Group		
	Share based payments	Foreign currency translation	Total
	$	$	$
At 30 June 2015	1,102,120	1,062,858	2,164,978
Foreign currency translation	-	39,867	39,867
Share based payment	128,871	-	128,871
At 30 June 2016	1,230,991	1,102,725	2,333,716
Foreign currency translation	-	(545,336)	(545,336)
Share based payment	220,684	-	220,684
At 30 June 2017	1,451,675	557,389	2,009,064

(c) Nature and purpose of reserves

Foreign currency translation reserve

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

Share based payments reserve

The share based payments reserve is used to record the value of share based payments provided to employees, including KMP, as part of their remuneration. Refer to note 25 for further details.

Note 30 Company Details

The registered office of the company is:

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

The principal places of business are:

Site Skills Training:

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

Competent Project Management

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

Directors' Declaration

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

1. In the opinion of directors:

   a) the financial statements and notes of Site Group International Limited for the financial year ended 30 June 2017 are in accordance with the *Corporations Act 2001*, including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

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

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

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

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2017.

On behalf of the Board

Vernon Wills
Director

Brisbane, 31 August 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of Site Group International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Site Group International Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and the Directors' Declaration.

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

(i) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional* Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Impairment assessment – goodwill

Why significant	How our audit addressed the key audit matter
The annual non-current asset impairment assessment is a key audit matter due to the size of the recorded goodwill asset (30 June 2017: $4.4m after impairments of $22.7m in the year for the tertiary education and energy services cash-generating units) and the degree of estimation and assumptions required to be made by the Group, specifically concerning future discounted cash flows. An annual impairment test for goodwill is required under Australian Accounting Standard (AASB) 136 *Impairment of Assets*. Note 13 to the financial report discloses the goodwill and other intangible assets and the key assumptions used in testing these assets in their cash generating units.	As part of our procedures we assessed the Group's determination of the Cash Generating Units (CGU). In obtaining sufficient audit evidence, we: ▸ checked the mathematical accuracy of the Board approved cash flow forecasts and methodology of the impairment model; ▸ considered the accuracy of the Group's historical cash flow forecasts; ▸ applied our knowledge of the business and corroborated our work with external information where possible; ▸ assessed the key assumptions within the cash flow model including the growth rates and discount rates; ▸ we involved our valuation specialists to support our procedures; ▸ performed sensitivity analysis in respect of the key assumptions; and ▸ assessed the adequacy of the impairment disclosure in Note 13 to the financial report.

Revenue recognition – Vet-Fee Help

Why significant	How our audit addressed the key audit matter
The recognition of Vet-Fee Help revenue is considered a key audit matter primarily due to the size and judgment involved in assessing the extent of revenue to recognise for training activities funded by the government under the Vet-Fee Help program. Under this program, students' course fees may be denied subsequent to delivery of the course where students have exceeded their loan cap, disputed the fee charged, or are determined to be ineligible. The Group has estimated an amount of $0.8m of revenue for these re-credits that may occur in subsequent periods. This amount has been provided for at balance date. Note 1 discloses the associated accounting policies.	The Vet-Fee Help revenue balance is comprised of a large number of individual transactions with each student. Using a sampling approach we tested these revenue transactions to banking records. In our testing we assessed the timing and amounts of revenue recognised and related compliance with Australian Accounting Standard - AASB 118 *Revenue*. We assessed the provision for re-credits against historical and industry completion rates and re-credit rates. We considered the adequacy of the Group's revenue recognition accounting policies and assessed compliance with applicable Australian Accounting Standards.

2. Impairment of amount receivable

Why significant	How our audit addressed the key audit matter
The overdue amount from the Australian Government Department of Education and Training (DET) at the year-end was $34m. Payment of the amount is subject to a separate industry wide audit being conducted to ensure amounts claimed are in accordance with contractual requirements. This matter is considered a key audit matter because of the uncertainty around the results and timing of the Government audit, and the significant judgment that has been applied in assessing the extent of impairment provision required on this receivable and any provision for amounts claimed as overpayments by DET. The dispute over the Vet-Fee Help receivable has been outstanding for in excess of 18 months and there continues to be uncertainty over the timing and process that the Government is taking. In light of the uncertain circumstances, the Group has taken the decision to reduce the net carrying value of this receivable as at 30 June 2017 to nil.	We evaluated the Group's assessment as to the recoverability of the receivable including: ▸ agreeing the amount claimed to prior year audit work-papers; ▸ communications from DET in regard to their evaluation of the claim; ▸ the Group's position on the matter; and ▸ correspondence from the Group's legal advisors.

Why significant	How our audit addressed the key audit matter
Note 9(a) to the financial report discloses the background on the receivable, and assumptions relating to recoverability.	

3. Consideration of the ability of the Group to continue as a going concern

Why significant	How our audit addressed the key audit matter
The Directors have concluded that in their opinion there are reasonable grounds to believe that the Group has the ability to pay its debts as and when they fall due and realise the value of the assets in the ordinary course of business. Accordingly they have prepared the financial statements on a going concern basis as disclosed in Note 1a(b). Estimated future cash flows, the availability of financing and the requirements of the Group's financiers have all been considered by the Directors in reaching their conclusion. The going concern assumption is fundamental to the basis of preparation of the financial statements. Accordingly, our consideration of this matter and the related disclosures was one of the most significant matters addressed by our audit.	Our procedures included the following: ▶ Analysed the cash flow model used by the Group to understand the inputs and process underpinning the cash flow model prepared for the purpose of the going concern assessment. ▶ Assessed whether the cash flow model accurately reflected the Board approved FY18 budget and that the assumptions underpinning the FY18 cash flows were based upon current and expected performance. ▶ Considered the historical reliability of the Group's cash flow forecasting process. ▶ Considered the impact of a range of cash flow sensitivities to the model and to the conclusion reached by the Directors. ▶ Assessed the external inputs and assumptions within the cash flow forecasting model by comparing them to assumptions and estimates used elsewhere in the preparation of the financial statements. We considered the treatment of the Vet-Fee Help receivable when assessing the cash flow forecasts. ▶ Assessed the possible mitigating actions identified by the Group in the event that actual cash flows are below forecast. ▶ Assessed the adequacy of the disclosures made by the Directors regarding the going concern assumption and available financing.

Information Other than the Financial Report and Auditor's Report's Report Thereon

The Directors are responsible for the other information. The other information comprises the information in the Company's 2017 Annual Report but does not include the financial report and the auditor's report thereon.

We obtained the Directors' Report and Corporate Governance Statement that are to be included in the Annual Report prior to the release of this auditor's report and we expect to obtain the remaining sections of the Annual Report after the date of this auditor's report.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 26 of the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Site Group International Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

Mike Reid
Partner
Brisbane
31 August 2017

Shareholder Information

1 Twenty Largest Shareholders

(i) Ordinary Shares Inclusive of Escrowed Ordinary Shares

As at 10 August 2017, there are 563,513,718 ordinary shares and an additional 33,504,047 ordinary shares subject to escrow restrictions.

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

Name	No. of Ordinary Shares Held	% of Issued Capital
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS	43,765,703	7.34
TALBOT GROUP INVESTMENTS PTY LTD	42,171,121	7.08
NATIONAL NOMINEES LIMITED	39,829,561	6.68
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS <WILLS FAMILY SUPER FUND A/C>	29,039,188	4.87
WAYBURN HOLDINGS PTY LTD	21,983,142	3.69
LINWIERIK SUPER PTY LTD <LINTON SUPER FUND A/C>	21,000,000	3.52
CAMERON RICHARD PTY LTD <LPS P/L NO5 EXEC B/PLAN A/C>	20,712,500	3.48
SMITHLEY SUPER PTY LTD <SMITH SUPER FUND A/C>	19,916,289	3.34
JGC ASSETS PTY LTD <JUDI COOK A/C>	16,746,700	2.81
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD <CLIENT ACCOUNT>	16,676,766	2.80
CAMERON RICHARD PTY LTD <LPS PL NO 5 EXEC B/PLAN A/C>	16,571,594	2.78
JGC ASSETS PTY LTD <JUDI COOK A/C>	12,581,201	2.11
LINWIERIK INVESTMENTS PTY LTD	10,200,000	1.71
MYALL RESOURCES PTY LTD <MYALL GROUP SUPER FUND A/C>	8,713,839	1.46
MR BERESFORD PAUL ROBERTSON	7,857,142	1.32
DEPOFO PTY LTD <SUPER A/C>	7,000,000	1.17
MR GRANT HARRY O'KEEFE + MRS CATHERINE MARIA O'KEEFE <OKEEFE INVESTMENT A/C>	6,452,745	1.08
GANBROS PTY LTD <THE GANIM FAMILY ACCOUNT>	6,436,823	1.08
THE SUMMIT HOTEL BONDI BEACH PTY LTD	6,261,173	1.05
JETAN PTY LTD	6,250,000	1.05

(ii) Ordinary Shares

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

Name	No. of Ordinary Shares Held	% of fully paid shares
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS	43,765,703	7.78
TALBOT GROUP INVESTMENTS PTY LTD	42,171,121	7.50
NATIONAL NOMINEES LIMITED	39,829,561	7.08
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS <WILLS FAMILY SUPER FUND A/C>	29,039,188	5.16
WAYBURN HOLDINGS PTY LTD	21,983,142	3.91
LINWIERIK SUPER PTY LTD <LINTON SUPER FUND A/C>	21,000,000	3.73

Name	No. of Ordinary Shares Held	% of fully paid shares
CAMERON RICHARD PTY LTD <LPS P/L NO5 EXEC B/PLAN A/C>	20,712,500	3.68
SMITHLEY SUPER PTY LTD <SMITH SUPER FUND A/C>	19,916,289	3.54
JGC ASSETS PTY LTD <JUDI COOK A/C>	16,746,700	2.98
DBS VICKERS SECURITIES (SINGAPORE) PTE LTD <CLIENT ACCOUNT>	16,676,766	2.97
CAMERON RICHARD PTY LTD <LPS PL NO 5 EXEC B/PLAN A/C>	16,571,594	2.95
LINWIERIK INVESTMENTS PTY LTD	10,200,000	1.81
JGC ASSETS PTY LTD <JUDI COOK A/C>	9,868,337	1.75
MYALL RESOURCES PTY LTD <MYALL GROUP SUPER FUND A/C>	8,713,839	1.55
DEPOFO PTY LTD <SUPER A/C>	7,000,000	1.24
MR GRANT HARRY O'KEEFE + MRS CATHERINE MARIA O'KEEFE <OKEEFE INVESTMENT A/C>	6,452,745	1.15
GANBROS PTY LTD <THE GANIM FAMILY ACCOUNT>	6,436,823	1.14
THE SUMMIT HOTEL BONDI BEACH PTY LTD	6,261,173	1.11
JETAN PTY LTD	6,250,000	1.11
SUNTANEOUS PTY LTD <GB CLIENTS EMP S/F A/C>	5,525,000	0.98

(iii) Escrowed Shares

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

Name	No. of Escrowed Shares Held	% of escrowed shares
PAUL ROBERTSON	7,857,142	23.45%
LENG HIM SAW	3,000,000	8.95%
JGC ASSETS PTY LTD	2,712,864	8.10%
GRANT HARRY O'KEEFE	2,432,674	7.26%
PATRICIA HAWKEY PTY LTD	2,432,674	7.26%
MR VERNON ALAN WILLS	2,000,000	5.97%
NICASIO ALCANTARA	1,000,000	2.98%
CRAIG ANTHONY DAWSON	1,000,000	2.98%
SHAUN SCOTT	1,000,000	2.98%
DARRYL SOMERVILLE	1,000,000	2.98%
MR JASON STUART ANFIELD	752,175	2.25%
BRETT MCPHEE	750,000	2.24%
JOHN GILBERT RODGERS	750,000	2.24%
COMPANY FILES SEQ PTY LTD	739,872	2.21%
HDDSA PTY LTD	739,872	2.21%
RYDEN ENTERPRISES PTY LTD	739,872	2.21%
ISMAIL TAHIR	600,000	1.79%
NOEL CHENEY	500,000	1.49%
MR BLAKE ALAN WILLS	500,000	1.49%
ANTHONY JON CARSON	418,858	1.25%

(iii) Partly Paid Shares

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

The names of the holders are listed below:

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

2 Distribution of Equity Securities

Analysis of numbers of holders by size of holding:

(i) Fully paid ordinary shares

Distribution	Number of Holders	Number of Shares
1 - 1,000	75	41,024
1,001 - 5,000	57	166,734
5,001 - 10,000	92	823,537
10,001 - 100,000	218	10,113,829
Greater than 100,000	239	584,756,641
Totals	**681**	**595,901,765**

(ii) Partly paid shares, paid to $0.01

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

(iii) Escrowed ordinary shares

Distribution	Number of Holders	Number of Shares
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	19	790,000
Greater than 100,000	27	32,714,047
Totals	**46**	**33,504,047**

(iv) Unmarketable parcels

	Minimum parcel size	Holders	Shares
Minimum $500 parcel at $0.28 per share	12,500	231	1,112,085

3 Voting Rights

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

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

4 Substantial Shareholder

Substantial shareholder notices lodged with the Company:

Substantial Shareholder	Number of Shares
Mr Vernon Alan Wills, Ms Jillaine Patrice Wills and Wayburn Holdings Pty Ltd	103,020,630
Peter Jones, Helen Jones, Cameron Richard Pty Ltd and Stuart Andrew Pty Ltd	45,194,436
Talbot Group Investments Pty Ltd	42,171,121
National Nominees Limited	39,829,561