

**SITE GROUP INTERNATIONAL LIMITED (FORMERLY 'LAZCO LIMITED')**  
**ABN 73 003 201 910**

**ASX HALF-YEAR INFORMATION – 31 DECEMBER 2010**

**LODGED WITH THE ASX UNDER LISTING RULE 4.2A**

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Site Group International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

<b>Name of entity</b>	Site Group International Limited
<b>ABN</b>	73 003 201 910
<b>Half Year Ended</b>	31 December 2010
<b>Previous corresponding reporting period</b>	31 December 2009

**Results for Announcement to the Market**

	\$'000	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	515	75.6% increase
Profit / (loss) from ordinary activities after tax attributable to members	(5,169)	806% increase in loss
Net Profit / (loss) for the period attributable to members	(5,169)	806% increase in loss
<b>Dividends</b>		
	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend	Nil	Not applicable
Interim dividend	Nil	
Record date for determining entitlements to the dividends (if any)	Not applicable	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer to director's report on page 5.		

**Dividends**

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

**NTA Backing**

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	8.56 cents	5.88 cents

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

**Control Gained Over Entities Having Material Effect**

Name of entity (or group of entities)	Refer to notes 3 and 4 of the half year financial report regarding the reverse acquisition arrangement between Lazco Ltd and Site Group Holdings Pty Ltd
Date control gained	16 December 2010
Contribution by Lazco Ltd to Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	(624,310)
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	(202,897)

**Foreign Entities Accounting Framework**

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

**Audit / Review Status**


This report is based on accounts to which one of the following applies:  
(Tick one)

The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
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If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:

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

Attachments Forming Part of Appendix 4D

Attachment #	Details
Signed by (Director / Company Secretary)	
	
Print Name	DAVID HUTCHISON
Date	25/02/11

## DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2010.

### DIRECTORS

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

Directors:  
Vernon Wills  
Nicasio Alcantra  
Paul Young  
David Hutchison

### PRINCIPAL ACTIVITIES

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

### REVIEW OF OPERATIONS AND RESULTS

Site Group International ("Site" ASX:SIT) is a provider of customised and Australian accredited vocational education delivering its courses through a dedicated facility in the Philippines, "Clark Education City", as well as its facilities in Hindmarsh, Adelaide South Australia.

Site is delivering training to service the global skill shortage through its affordable vocational education and workforce planning solutions. It is the mission of Site to become a leading provider of internationally recognised integrated vocational education and workforce planning solutions servicing global skill shortages.

Skills trained include those for the resources, construction and associated services industries. Courses trained for these industries include welders and boilermakers, heavy diesel fitters and auto-mechanical technicians. As well as training graduates for the resource industry courses are also offered in the Hospitality and Aged-care sector.

Additionally, Site is geared to participate in the development of the English Language market of the Asian region. The strategic location of Clark Education City at Clark Freeport Zone in the Philippines allows the company to deliver Australian standard training in a low cost environment. This provides an attractive pathway to meaningful employment in countries experiencing skill shortages such as Australia, PNG, West Africa and the Middle Eastern Regions.

Site WorkReady, a subsidiary of Site, offers workforce planning solutions allowing employer groups to ensure project timing, planning and costs stay in line with their expectations and budgets. The vertically integrated Site Group Model offers effective, flexible and relevant training delivery, up-skilling and workforce planning solutions.

Site Group International is an emerging Australian company with a strategic business model run by an experienced management team. The Board and management are committed to realising the potential of the Site Group Holdings business model and achieving attractive returns for shareholders.

For the half-year ended 31 December 2010, Site Group International Limited reported a loss after tax of \$5,168,910 compared to \$570,833 in the previous corresponding period. Operating loss before income tax was \$5,167,075 for the period (2009: \$570,601).

Total revenue from operations was \$514,606 (2009: \$293,070).

This trading period has seen the continued expansion and development of the group's Clark Education City campus in the Philippines. Student numbers have grown from 17 at 30 June 2010 to 321 by 31 December 2010 with an additional 212 students having graduated in the same period.

Agreements have been reached to provide training services for the aged care, tourism and mining industries that will see significant improvement in revenues for the coming 6 months. Overall the campus handled 533 students over the 6 month period.

### DIVIDENDS

Subsequent to 31 December 2010, the Directors have not recommended the payment of an interim dividend.


EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share for the financial half-year is (5.39) cents (2009: (0.86) cents).

AUDITOR INDEPENDENCE

The Auditor's Independence Declaration to the Directors of Site Group International Limited, which forms part of the Directors' Report, is set out on page 7 of this report.

Signed in accordance with a resolution of the Directors this 25th day of February 2011.

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) .....  
) David Hutchison - Director  
)  
)  
)



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

In relation to our review of the financial report of Site Group International Limited for the half-year ended 31 December 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A stylized signature of the Ernst & Young firm, written in a cursive script.

Ernst & Young

A handwritten signature of Mark Phelps in a cursive script.

Mark Phelps  
Partner  
25 February

To the members of Site Group International Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Site Group International Limited, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half -Year Financial Report

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

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Site Group International Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### Independence

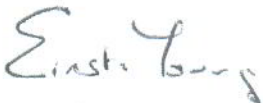
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.



## Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Mark Phelps'.

Mark Phelps  
Partner  
Adelaide  
25 February

**DIRECTORS DECLARATION**

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

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including :
  - (i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2010 and of their performance as represented by the results of their operations and their cash flows for the half-year ended on that date; and
  - (ii) comply with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



David Hutchison  
Director  
25 February 2010

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Note	Consolidated	
		Half-year ended 31 Dec 2010 \$	Half-year ended 31 Dec 2009 \$ (unaudited)
<b>Continuing operations</b>			
Revenue from sale of goods	2	514,606	293,070
Cost of Sales		(390,819)	(29,991)
Gross Profit		123,787	263,079
Operating expenses		(1,237,015)	(502,536)
Professional Fees		(902,835)	-
Depreciation		(218,880)	-
Occupancy expenses		(341,650)	(133,681)
Employee benefits and on-costs		(1,415,832)	(539,386)
Finance costs		(8,591)	(5,337)
Foreign currency losses		(1,166,059)	347,260
Loss before tax		(5,167,075)	(570,601)
Income tax benefit		(1,835)	(232)
Loss for the period from continuing operations		(5,168,910)	(570,833)
<b>Loss for the period</b>	2	(5,168,910)	(570,833)
<b>Other Comprehensive Income</b>			
Translation of foreign operations		338,666	-
Employee share benefits		193,394	-
Total Other Comprehensive Income		532,060	-
<b>Total Comprehensive Income</b>		(4,636,850)	(570,833)
<b>Earnings (loss) per share</b>			
Basic and diluted (cents per share)		(5.39)	(0.86)

Notes to the financial statements are attached

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Note	Consolidated	
		Half-year ended 31 Dec 2010 \$	Year ended 30 Jun 2010 \$
<b>Current Assets</b>			
Cash and cash equivalents		4,532,526	55,055
Trade and other receivables		41,565	127,349
Inventories		-	29,643
Other current assets		254,215	140,334
<b>Total Current Assets</b>		<b>4,828,306</b>	<b>352,381</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		4,887,747	5,310,364
Intangible assets		166,379	166,379
Other non-current assets		136,406	503,318
<b>Total Non-Current Assets</b>		<b>5,190,532</b>	<b>5,980,061</b>
<b>Total Assets</b>		<b>10,018,838</b>	<b>6,332,442</b>
<b>Current Liabilities</b>			
Trade and other payables		1,512,039	1,344,039
Provisions		52,900	87,522
Tax Payable		72,537	664
<b>Total Current Liabilities</b>		<b>1,637,476</b>	<b>1,432,225</b>
<b>Non-Current Liabilities</b>			
Provisions		8,257	4,683
<b>Total non-current liabilities</b>		<b>8,257</b>	<b>4,683</b>
<b>Total Liabilities</b>		<b>1,645,733</b>	<b>1,436,908</b>
<b>Net Assets</b>		<b>8,373,105</b>	<b>4,895,534</b>
<b>Equity</b>			
Contributed equity		16,587,918	8,473,497
Reserves	3	601,643	69,583
Accumulated losses		(8,816,456)	(3,647,546)
<b>Total Equity</b>		<b>8,373,105</b>	<b>4,895,534</b>

Notes to the financial statements are attached

SITE GROUP INTERNATIONAL LIMITED  
ABN: 73 003 201 910

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Share capital \$	Employee equity benefits reserve \$	Foreign currency translation reserve \$	(Accumulated Losses) \$	Total \$
<b>Balance 1 July 2009</b>	53,497	125,307	-	(314,751)	(135,947)
Loss for the period	-	-	-	(570,833)	(570,833)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	(570,833)	(570,833)
<b>Transactions with owners in their capacity as owners:</b>					
Shares issued	4,800,000	-	-	-	4,800,000
<b>Balance 31 December 2009 (unaudited)</b>	4,853,497	125,307	-	(885,584)	4,093,220
<b>Balance at 1 July 2010</b>	8,473,497	141,248	(71,665)	(3,647,546)	4,895,534
Loss for the period	-	-	-	(5,168,910)	(5,168,910)
Other comprehensive income	-	193,394	338,666	-	532,060
<b>Total comprehensive income</b>	-	193,394	338,666	(5,168,910)	(4,636,850)
<b>Transactions with owners in their capacity as owners:</b>					
Shares issued	6,815,000	-	-	-	6,815,000
Transaction costs of shares issued	(519,103)	-	-	-	(519,103)
Liabilities converted to equity	324,224	-	-	-	324,224
Shares issued on reverse acquisition of Lazco Ltd	1,494,300	-	-	-	1,494,300
<b>Balance at 31 December 2010</b>	16,587,918	334,642	267,001	(8,816,456)	8,373,105

Notes to the financial statements are attached

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Consolidated	
	Half-year ended 31 Dec 2010 \$	Half-year ended 31 Dec 2009 \$ (unaudited)
<b>Cash flows from operating activities</b>		
Receipts from customers	1,038,500	277,882
Payments to suppliers and employees	(2,343,493)	(1,033,743)
Interest paid	(8,591)	(5,337)
Interest received	8,803	
Income tax paid	(4,543)	(232)
<b>Net cash from operating activities</b>	(1,309,324)	(761,430)
<b>Cash flows from investing activities</b>		
Cash received on acquisition of subsidiary	670,000	-
Payment for property, plant and equipment	(321,961)	(2,567,408)
<b>Net cash from investing activities</b>	348,039	(2,567,408)
<b>Cash flows from financing activities</b>		
Share capital raised	6,675,000	4,800,000
Cost of fundraising	(70,185)	
<b>Net cash from financing activities</b>	6,604,815	4,800,000
Net increase in cash and cash equivalents	5,643,530	1,471,162
Net foreign exchange differences	(1,166,059)	
Cash and cash equivalents at the beginning of the period	55,055	2,477
<b>Cash and cash equivalents at the end of the period</b>	4,532,526	1,473,639

Notes to the financial statements are attached

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

**1 Significant accounting policies**

**Reporting entity**

Site Group International Limited is a company domiciled in Australia. The consolidated interim financial report of the company as at and for the six months ended 31 December 2010 comprises the company and its subsidiaries (together referred to as 'the consolidated entity').

**Statement of compliance**

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

The consolidated interim financial report was approved by the Board of Directors on 25 February 2011.

**Basis of preparation**

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2010 annual financial report for the financial year ended 30 June 2010, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

New and revised Standards and the amendments thereof and Interpretations effective for the current period that are relevant to the Group include:

- Amendments to AASB 5, 8, 101, 107, 117, 118, 136 and 139 as a consequence of AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

AASB 2009-5 introduces amendments into Accounting Standards that are equivalent to those made by the IASB under its program of annual improvements to its standards. A number of the amendments are largely technical, clarifying particular terms, or eliminating unintended consequences. Other changes are more substantial, such as the current/non-current classification of convertible instruments, the classification of expenditures on unrecognised assets in the statement of cash flows and the classification of leases and land and buildings.

The adoption of these amendments has not resulted in any major changes to the Groups accounting policies.

**Estimates**

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

In preparing the consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2010.

SITE GROUP INTERNATIONAL LIMITED  
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**2 Segment information**

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

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

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

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

	Segment revenue		Segment result	
	Half-year ended		Half-year ended	
	31 Dec 2010 \$'000	31 Dec 2009 \$'000 (unaudited)	31 Dec 2010 \$'000	31 Dec 2009 \$'000 (unaudited)
<b>Continuing operations</b>				
Australia	161,501	291,787	(2,467,633)	(254,333)
The Philippines	353,105	1,283	(2,701,277)	(316,500)
Consolidated revenue	514,606	293,070		
Loss for the period			(5,168,910)	(570,833)

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

	31 Dec 2010 \$'000	30 Jun 2010 \$'000
<b>Continuing operations</b>		
Australia	4,215,148	482,255
The Philippines	5,803,690	5,850,187
Total segment assets	10,018,838	6,332,442



### 3 Issued Capital

Issued capital as at 31 December 2010 amounted to \$16,587,918 (134,035,101 ordinary shares).

During the period the following movements in contributed equity occurred.

<i>Movement in ordinary shares on issue</i>	<i>No. Shares</i>	<i>\$</i>
<b>At 1 July 2008</b>	-	-
Share issue on 29 May 2009	40,000,000	1
Shareholder equity contribution		53,496
<b>At 30 June 2009</b>	<b>40,000,000</b>	<b>53,497</b>
Share issue on 31 July 2009	32,000,000	4,800,000
Shareholder equity contribution		3,320,000
Exercise of options on 19 June 2010	2,000,000	300,000
<b>At 30 June 2010</b>	<b>74,000,000</b>	<b>8,473,497</b>
Share issue on 30 July 2010	18,221,121	3,644,224
Share issue on 6 October 2010	267,480	53,496
Reversal of shareholder equity contribution on issue of share capital		(53,496)
Reversal of shareholder equity contribution on issue of share capital		(3,320,000)
Share issue on 11 October 2010	8,375,000	1,675,000
<b>Share capital of Site</b>	<b>100,863,601</b>	<b>10,472,721</b>
Share capital of Lazco	7,471,000	1,494,300
Share issue on 16 December 2010	25,000,000	5,000,000
Share issue on 16 December 2010	700,000	105,000
Transaction costs relating to capital raising	-	(484,103)
<b>31 December 2010 share capital</b>	<b>134,035,101</b>	<b>16,487,918</b>

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

#### 4 Reverse acquisition of Lazco Ltd

On 16 December 2010, by way of reverse acquisition, Site Group Holdings Pty Ltd, in substance, acquired Lazco Ltd (now known as Site Group International Ltd), a dormant listed public company based in Australia. As this was a reverse acquisition transaction, Site Group Holdings Pty Ltd is the accounting acquirer; Lazco Ltd is the legal acquirer.

The acquisition was effected by an exchange of shares. Lazco Ltd issued shares to the shareholders of Site Group Holdings Pty Ltd. In return for this, the entirety of the shares in Site Group Holdings Pty Ltd were transferred to Lazco Ltd. Pursuant to the requirements of AASB 3 '*Business Combinations*', as this was a reverse acquisition transaction, the fair value of the consideration transferred is determined by reference to the fair value of the issued equity instruments of the legal parent (Lazco Ltd). Therefore, the consideration was deemed to be 7,471,500 \$0.20 shares, totalling \$1,494,300.

At the date of the acquisition, Lazco Ltd was a dormant company. As a result of the acquisition, Lazco Ltd changed its name to Site Group International Ltd and changed its principal activity to the provision of vocational education and training.

The fair values of the identifiable assets and liabilities of Lazco Ltd as of the date of the acquisition were:

	Consolidated fair value at acquisition date (\$)
Cash and cash equivalents	670,000
Trade and other receivables	80,000
Provisional fair value of identifiable net assets	<u>750,000</u>
Listing expense	<u>744,300</u>
Consideration paid	<u>1,494,300</u>

Because this transaction is classified as a reverse acquisition, the difference between the consideration paid and the fair value of identifiable net assets acquired is not treated as goodwill, but rather is booked as an expense in the statement of comprehensive income. This is considered to be the price paid to acquire a listing on the Australian stock exchange.

Acquisition date fair-value of consideration transferred:

Shares issued at fair value	1,494,300
Total	<u>1,494,300</u>

The cash inflow on acquisition is as follows:

Net cash acquired with the subsidiary	670,000
Cash paid	-
Net consolidated cash inflow	<u>670,000</u>

#### Comparative information

The comparative information presented in the consolidated financial statements is that of the legal subsidiary (Site Group Holdings Pty Ltd) not that originally presented in the previous financial statements of the legal parent (Lazco Ltd, which is now known as Site Group International Ltd).

The statement of comprehensive income for the current period reflects that of the legal subsidiary (Site Group Holdings Pty Ltd) for the full period together with the post-acquisition results of the legal parent, (Lazco Ltd) based on the attributed fair values. The retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the legal subsidiary (Site Group Holdings Pty Ltd) immediately before the business combination, not those of the legal parent (Lazco Ltd, which is now known as Site Group International Ltd).

**5 Subsequent events**

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