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 2012
Previous Corresponding Reporting Period	30 June 2011

Results for Announcement to the Market

	$'000	**Percentage increase /(decrease) over previous corresponding period**
Revenue	3,827	272%
Profit / (loss) after tax attributable to members	(7,751)	22%
Net profit / (loss) for the period attributable to members	(7,751)	22%

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	1.69 cents	3.37 cents

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

Nil

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects : The current year loss per share of 4.25 cents per share is an improvement over the prior year loss of 8.29 cents per share reflecting a lower absolute loss of $2.15 million and a 58% increase in weighted average number of shares on issue. During the year the company issued shares under a rights issue, the conversion to shares of convertible notes and as consideration for business combinations – full details are included in Note 19 of the Financial Statements. Absent the impact of the dilution the loss per share would have been 6.75 cents – a 19% improvement over the 2011 result.
Returns to shareholders including distributions and buy backs : Not applicable
Significant features of operating performance : Refer to the Director's Report
The results of segments that are significant to an understanding of the business as a whole: Refer to Note 21 to the Accounts (Operating Segments)
Discussion of trends in performance : Refer to the Director's 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 Director's 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, 2012

Signed By (Director/Company Secretary)	
Print Name	Vernon Wills
Date	29 August 2012

Site Group International Limited

ABN 73 003 201 910

Annual report – 30 June 2012

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Annual General Meeting

The Annual General Meeting of the Company will be held at 10:30am on Friday, 5 October 2012 at the company's offices at level 4, 96 Albert Street, Brisbane QLD 4000.

Managing Director and CEO Letter

Dear Shareholders,

The 2012 financial year has been an exciting time for the team at Site Group as the singular focus on training and assessment services to the mining and processing, oil and gas and construction sectors has driven activity in Australia and the Philippines. Following the acquisition of the Sun Coast Training and Accreditation business in November 2011 we leveraged the registered scope we acquired in high risk licencing to establish training facilities in Perth and Gladstone. To complete our capability to deliver to the high activity areas around Australia we established our Darwin facility in July 2012. This has allowed us to establish relationships with major resource and construction houses to provide an Australia wide "one stop shop" for the delivery of high risk licencing, training and assessment – an approach that is starting to yield returns.

We continue to believe that a focus on employer sponsored training and assessment will deliver profitable longer term relationships that will allow us to leverage the breadth of our scope and the scale of our facilities. This approach has also been the driver for the realignment of Clark from a user paid model to exclusively employer sponsored training which we flagged last year. This entailed completing the commitments that we had made to students enrolled under the previous system and transitioning the campus to a more employer centric model. The formation of a training partnership with the Monark Foundation (the education arm of the Philippines Caterpillar Dealer) leading to the development of "Heavy Diesel Land" and the recent award of the multi-year training contract with the Malampaya Gas to Power Project are a ratification of our strategy. We continue to believe that involving employers in the drive to address skills shortages both in Australia and overseas will yield the most sustainable outcome.

The development of the Site WorkReady business servicing the demands of businesses in Australia and overseas for skilled labour has accelerated since the completion of the CYBA Services transaction in November. Through our offices in Perth and Manila we are assisting clients meet their needs for skilled workers in the automotive, fabrication, drilling services and heavy diesel trades. Whilst the majority of these workers are currently sourced from the Philippines we have also had interest sourcing candidates from Europe and North America. We are using the Clark facility to provide English language training, up-skilling and the employing-company induction courses to the candidates prior to deployment.

This realignment of our business focus would not have been possible without the continued support of our loyal shareholder base. We have made significant investment in facilities this year expending around $2.4 million on new facilities and training licences. We are now well positioned to capitalise on this investment and we anticipate that the business will be cash flow positive in the 2013 financial year. We will continue to report our progress against plan through our quarterly operations updates.

Vernon Wills
Managing Director and CEO

Review of Divisional Operations

Site Skills Training – Clark Freeport Zone

Third Party revenue at the Clark facility was down year on year by $327,308 (49%) to $343,966 as the facility transitioned away from user paid training in hospitality, food and beverage and automotive skills towards an employer sponsored model addressing the requirements of the mining and processing, oil and gas and construction sectors. The final user paid courses were completed in June 2012. If intercompany revenue between Clark and Site WorkReady is included, actual revenue of Clark was $940,000, an increase of $269,000 (40%) over the prior year.

The comprehensive organisation and cost review that was completed in July through to September 2011 has resulted in a better defined operation more suited for the type of business that we are now conducting.

The construction of the Heavy Diesel Land facilities for the partnership with the Monark Foundation was completed in June 2012 and a significant portion of the mobile equipment, diagnostic equipment and diesel engines had been delivered. It is anticipated that first candidates will commence training in the first quarter of the 2013 financial year.

In early July 2012 Site was awarded a multi-year contract to provide training and vocational assessment services to the Malampaya Deepwater Gas to Power project through the Clark facility. Training under this contract will commence in September 2012.

Site Skills Training - Australia

The operations of Site Skills Training commenced in November 2011 with the acquisition of the Sun Coast Training and Accreditation business for $1.07 million. In early 2012 Site negotiated long term leases on premises at Belmont in Perth and Gladstone suitable for the development of training facilities to deliver high risk training, assessment and accreditation. These facilities opened in early June and commenced training delivery - both facilities based and on-site at client's facilities. Total revenue generated by Site Skills Training in the eight months from 1 November 2011 was around $1.4 million with minimal contribution from Perth and Gladstone.

The completion of the acquisition of the Axis Training Group on 1 July 2012 positioned Site for expansion into Darwin with first training courses being conducted that month.

Site WorkReady

Site WorkReady commenced business in November 2011 after the formalisation of the agreement with CYBA Services. Prior to this date Site Group International had delivered candidate assessment, training and deployment services using CYBA Services as a consultant. We achieved close to $1.7 million of revenue through this business in the past financial year with all candidates being placed with Australian clients predominantly in the mining and construction sectors. To support the growth in demand for these services we established a relationship with Brunel Technical Services (the world's largest private recruitment company) in the Philippines to assist in the recruitment of candidates.

We continue to expand our presence in the WA and Queensland markets where there is strong demand for skilled workers that can't be readily sourced from the local workforce. It is expected that there will be strong growth in this business in the coming financial year.

Corporate Directory

Directors	Darryl Craig Somerville (Chairman) Vernon Alan Wills Shaun Edward Scott Nicasio Alcantara
Company secretary	Andrew Bursill
Chief Executive Officer	Vernon Wills
Chief Financial Officer	Graham Yerbury
Principal registered office in Australia	Site Group International Ltd. Level 4, 96 Albert Street Brisbane Qld 4000 Telephone: (07) 3114 5188
Principal place of business	Site Group International Ltd Level 4, 96 Albert Street Brisbane Qld 4000 Telephone: (07) 3114 5188
Share Registry	Computershare Investor Services Pty Limited 117 Victoria Street West End QLD 4101, Australia Telephone: (07) 3237 2100
Auditor	Ernst & Young 111 Eagle Street Brisbane QLD 4000, Australia
Solicitors	Hopgood Ganim Level 8, 1 Eagle Street Brisbane Qld 4000 Telephone: (07) 3024 0000
Bankers	National Australia Bank Cnr. Adelaide and Creek Streets Brisbane QLD 4000 Bank of Queensland 255 Queen Street Brisbane QLD 4000
Stock exchange listing	Site Group International Limited shares are listed on the Australian Securities Exchange (code: SIT)
Web site address	http://www.sitegroupinternational.com/

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SITE GROUP INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 73 003 201 910

Financial Report for the Year Ended

30 June 2012

Financial Report for the Year Ended 30 June 2012

Directors' Report

Your Directors submit herewith the financial report of Site Group International Limited for the year ended 30 June 2012.

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 (Age 56)

Mr Wills was appointed Director of the company on 12 October 2010. Mr Wills has an extensive background in areas of investment and finance in a broad range of industries including property, mining, IT and education. Mr Wills is currently managing director of Site Group International Ltd, Enhance Management Pty Ltd and a non-executive director and Audit Committee Chairman of Eumundi Group Ltd (appointed 1/09/2004).

Previously Mr Wills was Chair of Dark Blue Sea Ltd (2/10/02 to 11/12/09), Director of Careers Australia Group, GoTalk Ltd and Greg Norman Golf Foundation, Deputy Chair of Queensland Governments Major Sports Facilities Authority, a director of CITEC and has served on the National Competition Policy – Queensland Liquor Review.

Nicasio Alcantara BA, MBA – Non-Executive Director (Age 69)

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) 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 – Chairman and Non-Executive Director (Age 63)

Mr Somerville was appointed Director of the company on 2 August 2011. Mr Somerville formerly held the positions of Chairman of the Brisbane Broncos Ltd (24/02/05 – 22/02/11), the Chairman of Brisbane based developer Devine Ltd (28/09/05 – 31/10/08) and Director of CMI Ltd (28/02/12 – 29/06/12). He previously completed his role as Chairman of the Queensland Government's Energy Competition Committee, which oversaw the introduction of Full Retail Contestability for energy in the state.

Mr Somerville spent 23 years with PwC in Brisbane, including more than 19 years as a 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. He is a Fellow of the Institute of Chartered Accountants of Australia and a Fellow of the Australian Society of Certified Practising Accountants. In his most recent role Mr Somerville was a director of Careers Australia Group and the Chairman of its Compliance, Audit and Risk Management Committee.

Shaun Scott BBus (Accountancy)/BA (Rec Admin), ACA – Non-Executive Director (Age 47)

Mr Scott was appointed Director of the company on 2 August 2011. Mr Scott is a Chartered Accountant with over 25 years of upstream and downstream experience in the oil and gas and energy sectors in Australia, Asia and the United States. He was Chief Executive Officer of Arrow Energy, until its recent acquisition by Shell and Petro China. Prior to joining Arrow in 2004, Mr Scott's career spanned appointments as Group Finance Manager at Energy Developments Limited, Project Finance Director at NRG Ltd and Manager of Atlantic Richfield Co. Inc. international oil and gas mergers and acquisitions team. Mr Scott was a Director of Pure Energy Resources until September 2008, a Director of the Australian Petroleum Production and Exploration Association until September 2010 and is currently an Executive Director of Dart Energy Limited (appointed 20/04/10), Non-Executive Director of Acer Energy Ltd (appointed 16/03/11), Titan Energy Services Ltd. (appointed 27/10/11) and AnaeCo Ltd (appointed 07/03/11).

David Hutchison MBA, ACA – Executive Director (Chief Financial Officer) (Age 36)

Mr Hutchison was appointed Director of the company on 12 October 2010. He resigned as a director on 31 July 2011.

Company Secretary

Andrew Bursill – Company Secretary

Mr Bursill has been employed by Franks & Associates for over 12 years, where he has specialised in the provision of outsourced Company Secretary and finance services. During this time Mr Bursill has been a Director and Company Secretary of numerous listed and unlisted public companies. Mr Bursill is a member of the Institute of Chartered Accountants in Australia.

Mr Bursill was appointed as Company Secretary on 29 June 2010. In addition, Mr Bursill is a Director of Orion Petroleum Limited, a Director and Company Secretary of Argonaut Resources NL and Australia Oriental Minerals NL and Company Secretary of Aguia Resources Limited, Kibaran Nickel Limited, MOKO.mobi Limited and several other unlisted and private companies.

Committee Membership

As at the date of this report, the company had an audit 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 Committee (AC)

- Darryl Somerville (c) – appointed 2 August 2011
- Shaun Scott - appointed 2 August 2011

Messrs Somerville and Scott are Chartered Accountants and qualified to serve on this Committee.

Nomination and Remuneration Committee (NRC)

- Shaun Scott (c) - appointed 2 August 2011
- Darryl Somerville– appointed 2 August 2011

(c) Designates the chairman of the committee

Meetings of Committees	Board No.	Attended No.	AC No.	Attended No.	NRC No.	Attended No.
Vernon Wills	8	8	2	2*	1	1*
Darryl Somerville	7	7	2	2	1	1
Shaun Scott	7	7	2	2	1	1
Nicasio Alcantara	8	6	-	-		

* ex officio attendance

All directors were eligible to attend all meetings held, except for Shaun Scott and Darryl Somerville, who were not appointed until 2 August 2011.

Principal Activity

The principal activity of the company during the period was the provision of vocational education and assessment services through Site Skills Training (Philippines, Landsborough, Gladstone and Perth) and the provision of recruitment support services through Site WorkReady (Perth, Philippines).

The Clark campus is a residential training facility currently able to accommodate up to 1,300 which was established in the Philippines to provide Australian standard vocational education in the Asian region and now offers the full range of courses catering for the mining and processing, oil and gas and construction sectors.

Operating Results

The Operating loss for the year ended 30 June 2012 was $7,750,684 after income tax, compared with $9,899,904 for the full year in 2011. Turnover was $3,826,675 compared with $1,029,376 in the 2011 financial year.

As announced in the prior annual report Site's business focus is now concentrated on the delivery of employer sponsored training to the mining and processing, oil and gas and construction sectors. Pursuit of this strategy resulted in the acquisition of the Landsborough based Sun Coast Training and Accreditation in November 2011 and the development of training facilities in Gladstone and Perth leveraging the licences and training scope that we acquired through that acquisition. At the same time we completed a restructure of the operations at our Clark facility and stopped accepting new students under the user pays model. We have now honoured our training obligations to those students and are now only accepting candidates at Clark under the Employer Sponsored model.

The recent award of a multi-year training and vocational assessment contract with the Malampaya Gas to Power Project operated by Shell Philippines is a validation of the Clark business model and represents the future direction of the Clark facility.

We also commenced the Site WorkReady recruitment services business during the year. This business assists clients to identify, assess, train and deploy skilled workers in areas where there are current skills shortages. In the past year the majority of these workers were sourced from the Philippines however there is a potential to expand this service into sourcing candidates from Europe and North America. Almost half of the revenue earned in the past financial year was generated by this business.

The loss for the year reflects the ramp up of the Site Skills Training business where we have recruited staff for the facilities that we have built in Perth and Gladstone as well as the usual business development and marketing costs associated with a business start-up and expansion. All of the Australian facilities (including the recently opened Darwin facility) are now open for business and conducting courses. The company recently completed an equity placement and share purchase plan to provide additional funding during the ramp up of the business to operating profitability.

Directors' Shareholdings

Director	Shares	Options
Vernon Wills	73,676,732	500,000
Darryl Somerville	3,879,671	-
Shaun Scott	2,375,000	-
Nicasio Alcantara	1,000,000	500,000

Significant Changes in State of Affairs

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

- Capital Management
  - On 1 September 2011 the company announced the raising of $4million through the issue of convertible notes with an interest rate of 10%, a 6 month term and a conversion rate at 15% below the 30 day VWAP. The raising was fully subscribed by 27 October 2011. All note holders opted to convert the notes to shares on 4 November 2011 at $0.10 per share.
  - On 18 November 2011 the company announced a fully underwritten one for four non-renounceable rights issue at an issue price of $0.11 per share. This was completed 19 December 2011 raising net proceeds of $3.8 million.
  - On 27 June 2012 the company announced an equity raising of $3.95 million through a private placement to sophisticated investors combined with the launch of a Share Purchase Plan (SPP) to existing shareholders with the potential to raise a further $7.0 million. On 31 July 2012 the company announced the receipt of $971,000 from the SPP and the intention to place part or the entire shortfall.
- Business Acquisitions
  - In November 2011 the company completed the purchase of Sun Coast Training and Accreditation for $1.07 million. This Registered Training Organisation provided the company with training and assessment scope in high risk licencing and accreditation – it is this scope that is supporting our expansion of training facilities in Australia and the Philippines.
  - In November 2011 the company announced a transaction to acquire the services and infrastructure of CYBA Services and establish the Site WorkReady business delivering skilled workers to predominantly Australian clients. The transaction was settled entirely by the issue of shares at a value of $649,000.
  - On 31 May 2012 the company announced the acquisition of the Axis Training Group in an all script transaction valued at $250,000. This company had training facilities in Perth and a Darwin facility in progress which has now been completed. In addition the acquisition brought several highly experienced staff to Site that are now in leadership roles in Site.
- In January 2012 the company entered into a training agreement with the Monark Foundation Institute (MFI), the training arm of the Philippines Caterpillar dealer. Under the terms of the agreement Site renovated five buildings and refurbished six undercover work bays at the Clark facility for use in the provision of Caterpillar heavy diesel training. In return MFI have provided all of the training resources, diagnostic equipment and heavy machinery. The facility will commence training in the first quarter of the 2013 financial year.

After Balance Date Event

On 9 July 2012 the Site Group was awarded a multi-year contract to provide training and assessment services to the Malampaya Deepwater Gas to Power Project. The contract involves the delivery of on-site vocational assessment services as well as residential training at the Clark facility for up to 1,800 people. The first training course is scheduled for September 2012.

The Share Purchase Plan announced on 27 June 2012 closed as planned on 20 July 2012 raising $971,000. The company is seeking to place some or the entire shortfall under this Plan. Placement of Share Purchase Plan shortfall was completed on 20 August 2012 which subject to shareholder approval will raise an additional $3.28 million which will be received in early October.

The acquisition of the Axis Training Group was completed in early July 2012.

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 5,675,000 unissued shares under options (5,675,000 at the reporting date). Refer to note 23 share-based payments in the financial report for more details of the options outstanding. During the year, there were no shares issued as a result of the exercise of options.

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 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.

Other Matters

We are not currently aware of any material proceedings against Site Group.

No person has applied for leave of Court to bring proceedings on behalf of the company or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not subject to any such proceedings during the year.

Vernon Wills
Director
28 August 2012

Remuneration Report (audited)

This remuneration report for the year ended 30 June 2012 outlines the remuneration arrangements of the Company and 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, and includes the five executives in the Parent and the Group receiving the highest remuneration.

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.

Remuneration committee

The directors established a Remuneration Committee earlier this year and have agreed a charter and process. The Remuneration committee convened once during the 2012 financial year with final discussions about Remuneration or appointments being approved by the full board. The remuneration committee comprises two independent NEDs.

The 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 Holdings 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
- Shaun Scott – Non-Executive Director
- David Hutchison – Chief Financial Officer (Resigned on 31 July 2011)

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 consolidated entity ("specified executives") during the financial year;

Name	Position	Comment
Steve Ghost[1]	Director of Education and Industry	Resigned January 2012
Kingsley Clark[1]	General Manager - Education	Resigned July 2011
Bernard Hogan[1]	General Manager - Site WorkReady	Resigned August 2011
Ismail Tahir[1]	Manager of Facilities and Infrastructure	
Adam Roberts[1]	Director of Sales	Resigned July 2011

Name	Position	Comment
Adam Waters[1]	General Manager - Site Academy	Resigned November 2011
John Rodgers	General Manager - Site WorkReady	Appointed November 2011
Brett McPhee	General Manager - Site WorkReady	Appointed November 2011
Paul Scaysbrook	Chief Operating Officer	Appointed April 2012
Graham Yerbury	Chief Financial Officer	Appointed January 2012

[1]These persons were also specified executives during the year ended 30 June 2011.

These executives were also considered the Key Management Personnel of the consolidated entity.

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 start-up phase and has incurred losses in the current and prior year. Therefore, there is no relationship between the Company's 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 non-executive Directors with the executive director receiving a fixed salary of a full-time employee.

Executive pay

The executive pay and reward framework has three components:

- Base pay benefits such as directors' fees
- Other remuneration such as fringe benefits and superannuation
- 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.

Benefits

Some Executives receive benefits such as car benefits.

Retirement benefits

Retirement benefits are delivered under a range of different superannuation funds. These funds provide accumulated benefits.

Executive contractual arrangements

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

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 date. 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 four specified executives of the consolidated entity, including their personally-related entities, are set out in the following tables.

Directors of Site Group International Limited

2012	Short Term Benefits			Post-employment	Long Term Benefits	Share-based Payments		
Name	Cash Salary $	Director's Fees $	Non-monetary benefits $	Super-annuation $	Long Service Leave $	Options $	Shares[3] $	Total $
Vernon Wills	300,000	-	-	-	-	-	-	300,000
Nicasio Alcantara	-	60,000	-	-	-	-	-	60,000
Shaun Scott[1]	-	55,000	-	4,950	-	-	-	59,950
Darryl Somerville[1]	-	55,000	-	4,950	-	-	-	59,950
David Hutchison[2]	27,500	-	-	-	-	-	-	27,500
Total	327,500	170,000	-	9,900	-	-	-	507,400

[1] Joined the board in August 2011

[2] Resigned effective 31 July 2011

[3] The directors shares were issued on 15 June 2012 and no share based payment was booked in the year.

2011	Short Term Benefits			Post-employment	Long Term Benefits	Share-based Payments		
Name	Cash Salary $	Director's Fees $	Non-monetary benefits $	Super-annuation $	Long Service Leave $	Options $	Shares $	Total $
Vernon Wills	300,000	-	-	-	-	13,453	-	313,453
Nicasio Alcantara	-	-	-	-	-	13,453	-	13,453
David Hutchison	263,334	-	-	-	-	4,260	-	267,594
Paul Young*	-	-	-	-	-	13,453	-	13,453
Total	563,334	-	-	-	-	44,619	-	607,953

* Resigned 1 April 2011

Specified executives of the consolidated entity

2012	Short Term Benefits		Post-employment	Long Term Benefits	Share-based Payments		
Name	Cash Salary $	Non-monetary benefits $	Super-annuation $	Long Service Leave $	Options $	Shares $	Total $
Steve Ghost[1]	117,952	-	8,140	-	-	-	126,092
Kingsley Clark[2]	5,000	-	450	-	(15,377)	-	(9,927)
Bernard Hogan[3]	26,568	-	1,789	-	(1,287)	-	27,070
Ismail Tahir	101,048	-	9,095	-	-	315	110,458
Adam Roberts[4]	55,053	-	-	-	(5,555)	-	49,498
Adam Waters[5]	40,092	-	3,608	-	(6,098)	-	37,602
John Rodgers[6]	133,333	-	-	-	-	-	133,333
Brett McPhee[6]	133,333	-	-	-	-	-	133,333
Paul Scaysbrook[7]	121,632	-	-	-	-	31,477	153,109
Graham Yerbury[7]	128,524	-	10,793	-	-	37,775	177,092
Total	862,535	-	33,875	-	(28,317)	69,567	937,660

[1] Resigned January 2012
[2] Resigned July 2011
[3] Resigned August 2011
[4] Resigned July 2011. Cash Salary includes 3 months in lieu of notice
[5] Resigned November 2011
[6] Commenced November 2011
[7] Commenced January 2012

2011	Short Term Benefits		Post-employment	Long Term Benefits	Share-based Payments		
Name	Cash Salary $	Non-monetary benefits $	Super-annuation $	Long Service Leave $	Options $	Shares $	Total $
Steve Ghost	140,014	-	8,752	-	-	-	148,766
Kingsley Clark	145,280	10,666	13,073	1,293	7,148	-	177,460
Bernard Hogan	96,903	-	8,721	-	3,979	-	109,603
Ismail Tahir	100,917	15,547	9,083	793	1,430	-	127,770
Adam Roberts	140,000	-	-	547	6,525	-	147,072
Adam Waters	72,374	7,194	6,514	1,224	2,859	-	90,165
Total	695,488	33,407	46,143	3,857	21,941	-	800,836

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) 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. 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
Shaun Scott	1,000,000	$0.20	200,000	200,000
Nicasio Alcantara	1,000,000	$0.20	200,000	200,000
John Rodgers	750,000	$0.20	150,000	150,000

Name	Shares Issued*	Share Issue Price	Total Value	Loan from Company
Brett McPhee	750,000	$0.20	150,000	150,000
Paul Scaysbrook	2,000,000	$0.20	400,000	400,000
Graham Yerbury	2,000,000	$0.20	400,000	400,000

* The issue of these shares was approved by shareholders at a General Meeting held on 15 June 2012 and were issued on 4 July 2012. 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.

Sign on Benefits to Key Management Personnel

During the year Messrs Scaysbrook and Yerbury were employed by the company and as part of their contract were issued shares in two equal tranches the first tranche to be held in escrow for 12 months from date of employment and the second tranche to be escrowed for 24 months from date of employment. These shares will be returned to the company should the employees cease to be employed by the company during the escrow periods. Details of the shares issued are as follows:

Name	Shares Issued*	Share Issue Price**	Total Value
Paul Scaysbrook	1,000,000	$0.1721	172,100
Graham Yerbury	1,000,000	$0.1062	106,265

* The issue of these shares was approved by shareholders at a General Meeting held of 12 June 2012
** 30 days VWAP immediately preceding the signing of the contract

The issue value is amortised as a share based payment over the escrow period.

The board believes that its remuneration policy is appropriate when the consideration is given to the start-up nature of the business for the current year and prior years.

Executive Remuneration Outcomes for 2012

As noted earlier the company is in start-up mode and 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 has incurred losses since listing 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 below 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 at least tracked or slightly outperformed the index.

Revenue Growth

The following table details reported revenue for the past three years:

	2012	2011	2010
Total Revenue	3,826,675	1,029,376	363,487
Growth %	272%	183%	

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

Net Loss and Earnings per Share

The following table details the net loss and earnings per share for the past three years:

	2012	2011	2010
Total Loss	(7,508,391)	(9,359,892)	(3,404,460)
Change %	20%	(183%)	
EPS	(4.25)	(8.29)	(4.81)

The year on year improvement 2012 versus 2011 reflects improved revenue and the absence of share listing expenses in the year. Given the rapid expansion of facilities and personnel this demonstrates that the leadership team are focused on controlling costs and growing earnings of the company.

Corporate Governance Statement

The Australian Stock 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") 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. 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;*
- *ensure a balance of authority so that no single individual has unfettered powers; and*
- *evaluate the performance of senior executives.*

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

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. No formal performance appraisals were conducted during the year given the turnover in the KMP and the recent appointment of several KMP.

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*
- *can effectively review and challenge the performance of management and exercise independent judgement.*

To achieve best practice the Council recommends that:

- *a majority of the board be "independent" Directors;*
- *the chairperson be an "independent" Director;*
- *the role of chairperson and chief executive officer should not be exercised by the same individual; and*
- *the board should establish a nomination committee.*

Site Group International Limited's current board consists of three non-executive Directors and one executive Director. The three non-executive directors are independent directors. The Chairman of the Board Mr Darryl Somerville is a non-executive director.

The ASX corporate Governance Council guidelines recommend that the board review and actively encourage enhanced board and management effectiveness. In this regard it is suggested that the board and key executives should be equipped with the knowledge and information that they need to discharge their duties effectively and that individual and collective performance is regularly and fairly reviewed. To achieve „best practice" it recommends that a Company disclose the process for performance evaluation of the board; its committees; and individual Directors and key executives.

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.

Principle 3: Promote ethical and responsible decision-making

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*
- *publish its position concerning the issue of board and employee trading in Company shares.*
- *Listed entities should establish a policy concerning diversity.*
- *The policy or a summary of that policy is to be disclosed.*
- *The policy 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.*

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.

The Directors have also established a policy concerning the trading in the Company's securities. In summary a Director or employee shall not:

- Deal in the Company's securities when he or she is in possession of insider information;
- Engage in short term trading of the Company's securities; and
- Deal in the Company's securities between the end of a fiscal period and the general release of information relating to the Company's performance.

With the prior approval of the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil his duties and responsibilities as a Director.

The board approved and issued a Diversity Policy in January 2012. The nature 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.

The following table indicates the current gender mix of employees:

	Male	Female	Male	Female	Total
Board	4	-	100%	-	4
Executive and Senior Managers	8	2	80%	20%	10
All Other	45	33	58%	42%	78
Total	57	35	62%	38%	92

Principle 4: Safeguard integrity in financial reporting

The ASX Corporate Governance Council guidelines recommend that the Company have a structure to independently verify and safeguard the integrity of the company's financial reporting. It recommends that a Company put in place a structure of review and authorisation designed to ensure the truthful and factual presentation of the Company's financial position, including, for example, review and consideration of the financial statements by the audit committee; and a process to ensure the independence and competence of the Company's external auditors.

The company has an audit committee and the number of meetings of the committee held during the 2012 year is set out in the Directors' Report.

In 2012 the committee comprised Mr Darryl Sommerville and Mr Shaun Scott with the CEO attending on an ex officio basis. 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.

Principle 5: Make timely and balanced disclosure

The ASX Corporate Governance Council guidelines recommend that a Company promote timely and balanced disclosure of all material matters concerning the Company. 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 situation, 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
- All media comment is provided by the Chairman

Principle 6: Respect the rights of shareholders

The ASX Corporate Governance Council guidelines recommend that a Company respects the rights of shareholders and facilitates the effective exercise of those rights by effectively communicating with them; giving them balanced and understandable information about the Company; and making it easy for them to participate in general meetings.

Site Group International Limited provides information to its shareholders through the formal communications processes (e.g. ASX releases, annual general meeting, annual report, and occasional shareholder letters). This material is also available upon individual request from shareholders throughout the year.

Principle 7: Recognise and manage risk

The ASX Corporate Governance Council guidelines recommend that the Company establish a sound system of risk oversight and management and internal control. 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 management to provide to the board in writing a statement , in accordance with section 295A of the Corporations Act, confirming that the financials are founded on a sound system of risk management and internal compliance and control, which implements the policies adopted by the board; and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects, These officers have prepared such statement in accordance with the council's recommendations and that statement was tabled and forms part of the minutes of the Company.

The Audit Committee also 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 at every meeting. Risks are assessed and ranked in accordance with generally accepted risk management practices with appropriate mitigation strategies adopted where possible.

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.

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 maintain talented and motivated Directors and employees so as to encourage enhanced performance and that there be a clear relationship between performance and remuneration and that the policy underlying executive remuneration be understood by investors.

During the year the board approved the charter for the Nomination and Remuneration Committee – this committee convened once during the year. 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.

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

In relation to our audit of the financial report of Site Group International Limited for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Ric Roach
Partner
28 August 2012

Statement of Comprehensive Income

	Note	Consolidated Group 2012 $	2011 $
Continuing operations			
Revenue	3	3,789,107	984,180
Interest Income - external		36,405	43,029
Interest Income - related parties		1,163	2,167
Total Revenue		3,826,675	1,029,376
Cost of Services		(672,394)	(1,016,407)
Gross Profit (Loss)		3,154,281	12,969
Employee benefits expense	4	(4,852,285)	(3,223,867)
Depreciation and amortisation expense		(759,599)	(445,273)
Finance costs	4	(79,024)	(14,124)
Share listing expense		-	(1,191,739)
Other expenses	4	(4,223,768)	(3,090,971)
Occupancy expenses		(1,038,736)	(769,456)
Foreign currency gain/(loss)		52,983	(1,166,246)
Loss before Tax		(7,746,148)	(9,888,707)
Income Tax benefit / (expense)	17	(4,536)	(11,197)
Loss for the period from continuing operations		(7,750,684)	(9,899,904)
Loss for the period		(7,750,684)	(9,899,904)
Other Comprehensive Income			
Translation of foreign operations		242,293	540,012
Total Other Comprehensive Income		242,293	540,012
Total Comprehensive Income		(7,508,391)	(9,359,892)
Earnings (loss) per share			
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the parent.			
Basic and diluted (cents per share)	7	(4.25)	(8.29)

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 2012

Statement of Financial Position

	Note	Consolidated Group 2012 $	2011 $
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	8	586,380	409,449
Trade and Other Receivables	9	1,399,514	171,828
Inventories	10	48,005	99,515
Intangible Assets	13	223,917	-
Prepayments		14,528	-
Other Financial Assets	14	4,765	114,977
TOTAL CURRENT ASSETS		2,277,109	795,769
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	6,202,196	4,810,628
Intangible assets	13	1,080,374	-
Prepayments		73,412	-
Secuity Deposits		490,365	324,170
Other Non-current Financial Assets	14	325	-
TOTAL NON-CURRENT ASSETS		7,846,672	5,134,798
TOTAL ASSETS		10,123,781	5,930,567
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	15	1,426,650	1,123,497
Interest bearing debt	16	2,017,193	-
Current tax liabilities	17	2,632	8,502
Provisions and Other Current Financial Liabilities	18(a)	129,438	112,756
TOTAL CURRENT LIABILITIES		3,575,913	1,244,755
NON-CURRENT LIABILITIES			
Other provisions and Other Non-current	18(a)	1,329,539	827,082
Interest bearing debt	16	24,317	-
TOTAL NON-CURRENT LIABILITIES		1,353,856	827,082
TOTAL LIABILITIES		4,929,769	2,071,837
NET ASSETS		5,194,012	3,858,730
EQUITY			
Issued Capital	19	25,362,928	16,587,918
Reserves	27	1,129,218	818,262
Retained Earnings/(Losses)		(21,298,134)	(13,547,450)
TOTAL EQUITY		5,194,012	3,858,730

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

SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910
AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2012

Statement of Changes in Equity

	Share Capital		Reserves		
	Ordinary	Retained Earnings	Foreign Currency Translation Reserve	Option Reserve	Total
Consolidated Group	$	$	$	$	$
Balance at 1 July 2010(restated)	8,473,497	(3,647,546)	(71,665)	141,248	4,895,534
Comprehensive income					
Profit for the Year		(9,899,904)			(9,899,904)
Other comprehensive income for the year			540,012		540,012
Total comprehensive income for the year	-	(9,899,904)	540,012	-	(9,359,892)
Transactions with owners, in their capacity as					
Shares issued during the year	6,815,000				6,815,000
Transaction costs	(519,103)				(519,103)
Liabilities converted to equity	324,224				324,224
Shares issued on reverse acquisition of Lazco Ltd	1,494,300				1,494,300
Share-based Payments				208,667	208,667
Total transactions with owners and other transfers	8,114,421	-	-	208,667	8,323,088
Balance at 30 June 2011	16,587,918	(13,547,450)	468,347	349,915	3,858,730
Profit for the year		(7,750,684)			(7,750,684)
Other comprehensive income for the year			242,293		242,293
Total comprehensive income for the year	-	(7,750,684)	242,293	-	(7,508,391)
Transactions with owners, in their capacity as					
Shares issued during the year	8,950,118				8,950,118
Transaction costs	(677,108)				(677,108)
Liabilities converted to equity					-
Shares to be issued	502,000				502,000
Share-based Payments				68,663	68,663
Total transactions with owners and other transfers	8,775,010	-	-	68,663	8,843,673
Balance at 30 June 2012	25,362,928	(21,298,134)	710,640	418,578	5,194,012

SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910
AND CONTROLLED ENTITIES FOR THE YEAR ENDED 30 JUNE 2012

Statement of Cash Flows

	Consolidated Group	
	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,561,421	1,373,722
Payments to suppliers and employees	(9,878,935)	(6,922,434)
Prepaid Property Lease Rentals	(69,932)	-
Interest received	37,568	40,563
Finance costs	(66,784)	(14,124)
Income tax paid	(10,406)	(11,860)
Net cash provided by/(used in) operating activities	(7,427,068)	(5,534,133)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,289,998)	(638,726)
Purchase of Business	(1,000,000)	-
Cash backed performance bonds	(170,000)	-
Proceeds from sale of property, plant and equipment	-	43,502
Payment for subsidiary, net of cash acquired	-	670,000
Net cash provided by/(used in) investing activities	(2,459,998)	74,776
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	4,702,580	6,675,000
Issue of Convertible Notes	4,029,738	
Proceeds from borrowings	2,000,000	-
Transaction Costs on Shares	(677,108)	(826,542)
Net cash provided by/(used in) financing activities	10,055,210	5,848,458
Net increase(decrease) in cash held	168,144	389,101
Effect of exchange rates on cash holdings in foreign currencies	8,787	(34,707)
Cash and cash equivalents at beginning of financial year	409,449	55,055
Cash and cash equivalents at end of financial year	586,380	409,449

Notes to the Financial Statements for the Year Ended 30 June 2012

Note 1 Corporate Information

The consolidated financial report of Site Group International Limited (Site Group) for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 28 August 2012.

Site Group (parent) is a company limited by shares incorporated in Australia whose shares are publically traded on the Australian Stock 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.

In December 2010, Site Group Holdings Pty Ltd acquired Lazco Limited (now known as Site Group International Limited) by way of reverse acquisition (SGH, was the in substance acquirer, Lazco Limited was the legal acquirer). As such, the consolidated financial statements are a continuation of those of the legal acquirer (Lazco Limited).

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 realization of assets in the ordinary course of business.

In the current year the company incurred trading losses and cash outflows relating to the ongoing start-up of operations both in Australia and the Philippines. At the present time, cash receipts from training revenue are not sufficient to cover the cash flows from operations requiring cash funding of approximately $500,000 per month to fund operations. As at 30 June 2012, the company had cash reserves of $586,380 and since year end has raised a further $4.4 million of capital through an equity placement and Share Purchase Plan.

(b) Going concern (continued)

On 20 August 2012 the company concluded the placement of the SPP shortfall shares, raising an additional $3.15 million. Assuming shareholder approval of the issue of these shares these funds will be received in early October 2012.

The directors believe that at the date of the signing of the financial statements there are reasonable grounds to believe that the Site Group businesses are on a path to profitability and will be cash flow positive in the coming financial year. In addition the board believes the entity will continue to have the support of its investors and can raise sufficient funds to meet the company's cash flow requirements so that it can meet its obligations as and when they fall due.

Should the directors not achieve the matters set out above there is material uncertainty whether the entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the company and/or consolidated entity not continue as going concerns.

(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 2011:

- AASB 124 Related Party Disclosures (amendment) effective 1 January 2011
- AASB 132 Financial Instruments: Presentation (amendment) effective 1 February 2010
- AASB Int 14 Prepayments of a Minimum Funding Requirement (amendment) effective 1 January 2011
- Improvements to AASBs (May 2010)

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 ending 30 June 2012, outlined in the table below:

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Standard makes amendments to remove individual key management personnel disclosure requirements from AASB 124.	1 July 2013	The group has not yet determined the impact of the amendment, if any.	1 July 2013

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.	1 January 2013	The group has not yet determined the impact of the amendment, if any.	1 July 2013
AASB 2012-4	Amendments to Australian Accounting Standards – Government Loans	AASB 2012-4 adds an exception to the retrospective application of Australian Accounting Standards under AASB 1 First-time Adoption of Australian Accounting Standards to require that first-time adopters apply the requirements in AASB 139 Financial Instruments: Recognition and Measurement (or AASB 9 Financial Instruments) and AASB 120 Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans (including those at a below-market rate of interest) existing at the date of transition to Australian Accounting Standards.	1 January 2013	The group has not yet determined the impact of the amendment, if any	1 July 2013

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 9	Financial Instruments	AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. (d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11	1 January 2015	The group has not yet determined the impact of the amendment, if any.	1 July 2015

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 10	Consolidated Financial Statements	AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. This is likely to lead to more entities being consolidated into the group. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB 127.	1 January 2013	Given that all companies are held 100% by the holding company it is unlikely that this will have any impact on Site's financial statements.	1 July 2013
AASB 11	Joint Arrangements	AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities – Non-monetary Contributions by Ventures.* AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. This may result in a change in the accounting for the joint arrangements held by the group. Consequential amendments were also made to other standards via AASB 2011-7 and amendments to AASB128.	1 January 2013	Site does not currently conduct business through JVs and therefore it is unlikely that this will have any impact on Site's financial statements	1 July 2013

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 12	Disclosure of Interests in Other Entities	AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.	1 January 2013	Given that all companies are held 100% by the holding company it is unlikely that this will have any impact on Site's financial statements.	1 July 2013
AASB 13	Fair Value Measurement	AASB 13 establishes a single source of guidance under AASB for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	The group has not yet determined the impact of the amendment, if any.	1 July 2013
AASB 119	Employee Benefits	The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognized in full with actuarial gains and losses being recognized in other comprehensive income. It also revised the method of calculating the return on plan assets. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	The group has not yet determined the impact of the amendment, if any.	1 July 2013

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Group*
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle; and	AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including the following: • repeat application of AASB 1 is permitted (AASB 1); and • clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 Presentation of Financial Statements).	1 January 2013	The group has not yet determined the impact of the amendment, if any.	1 July 2013
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	The group has not yet determined the impact of the amendment, if any.	1 July 2015

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

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Site Group and its subsidiaries as at and for the period ended 30 June each year (the Group).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intragroup transactions have been eliminated in full.

Subsidiaries and special purpose entities are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. Investments in subsidiaries held by the group are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate statement of comprehensive income of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

(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 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured.

(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), which is translated to the presentation currency.

On consolidation the assets and liabilities of the Philippines operations are translated into Australian Dollars at the rate of exchange prevailing at the reporting date and the income statement 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 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.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

(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.

(h) Financial instruments – initial recognition and subsequent measurement (Continued)

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.

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. 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 statement of comprehensive income in finance costs for loans and in cost of sales or 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 2012 and 2011.

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.

(h) Financial instruments – initial recognition and subsequent measurement (Continued)

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 recorded in equity is reclassified to the statement of comprehensive income.

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.

(h) Financial instruments – initial recognition and subsequent measurement (Continued)

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 effective interest rate. 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

(h) Financial instruments – initial recognition and subsequent measurement (Continued)

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.

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 derivative 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 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.

Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

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

(h) Financial instruments – initial recognition and subsequent measurement (Continued)

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

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.

(j) Property, plant, and equipment (continued)

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.

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 – 22 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.

Licences and Course Material
During the year Site Group acquired the business of Suncoast Training and Assessment a licenced Registered Training Organisation with significant scope (approved courses) in high risk training. The economic potential of these licences and courses were 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.

(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 it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss of $166,379 on goodwill was recognised for continuing operations in the 2011 financial year. The impaired goodwill related to the purchase of Jet Corporation Pty Ltd (now known as Site Education Australia Pty Ltd) in FY09. The impairment loss was recognised in the statement of comprehensive income in the line item 'other expenses'. The South Australian office was closed on 28 February 2012 and remaining fixed assets were transferred at written down value to the Perth operations of Site Skills Group Pty Ltd.

(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 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, annual leave and accumulating sick 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. 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. At that point consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. The company currently has no employees that meet the eligibility criteria.

(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

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 income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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.

Goods and services tax (GST)

Revenues, expenses and assets 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.

(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 company and the amount can be reliably measured. The following recognition criteria must also be met before revenue is recognised:

Tuition Fees Revenue is recognised throughout the period of the course. Accordingly, fees received pertaining to the period commencing after balance date are recorded as unearned tuition fees shown under "Trade and Other Payables".
Rent Income Revenue is recognised on a straight-line basis over the lease term.
Interest Income Revenue is recognised as the interest accrues, taking into account the effective yield on the asset.
Income from Placement Services Revenue is recognised throughout the period of the placement activity.

(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 related 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 government 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.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 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 23. 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
- 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 from the parent which eliminate on consolidation. As a result, the expense recognised by Site Group in relation to equity- settled awards only represents the expense associated with grants to employees of the parent. 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, from the proceeds.

Loans from related parties

Loans from related parties that are not subject to a contract, are non-interest bearing, and have no specified repayment date are classified as contributed equity in the financial statements of the entity that received the loan. The loans do not represent shares and do not have a right to dividend distributions. There are presently no related party loans that meet these criteria.

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.

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 over the next two years together with future tax planning strategies. No deferred tax assets are currently recognised.

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

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product and manufacturing performance, 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. No impairment loss was recognised in the current year in respect of goodwill (2011: $166,379). 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 23. 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.

(c) Business Combinations and acquisitions

Sun Coast Training and Accreditation

On 15 November 2011 Site Skills Group Pty Ltd (100% owned subsidiary of Site Group International Limited) completed the purchase of the assets of Sun Coast Training and Accreditation from Steinhofer Developments Pty Ltd for $1 million in cash and an additional $70,000 in fully paid shares of Site Group International Limited issued to the former principals of the business. The company also assumed the leave entitlements of the existing employees of the business if they accepted employment with Site Group on completion of the transaction.

The fair value of the assets and liabilities of the acquisition were:

Assets	
Property plant and equipment	483,000
Intangible assets – Licences and Courses	654,000
Total Assets	1,137,000
Liabilities	
Employee Leave provisions	(67,000)
Net Assets Acquired	1,070,000
Consideration	
Cash settlement and costs	1,000,000
Fully Paid Shares	70,000
Total consideration	1,070,000

CYBA Recruitment Ltd.

On 1 November 2011 the company entered into a four year contract with CYBA Recruitment Limited to provide exclusive services of Mr John Rodgers and Mr Brett McPhee both principals of the business. The execution of the contract was supported by a Voluntary Restraint Deed that guaranteed the exclusive provision of services by CYBA Recruitment Ltd to the company. Consideration for this exclusive arrangement was the issue of six million fully paid shares in Site Group International Limited in three tranches of two million shares with an escrow period of 6 months on the second tranche and 12 months on the third tranche.

The value of the six million shares at date of contract was $649,800 being the 30 day value weighted average price prior to the contract date of $0.1083 per share for six million shares. The consideration for the contract and the restraint deed constitutes an intangible asset that will be amortised over the life of the contract. The fair value of the assets acquired was as follows:

Assets	
Intangible assets – service contract (current)	162,450
Intangible assets – service contract (non-current)	487,350
Total assets acquired	649,800
Consideration	
Fully paid shares	649,800

Of this value $108,300 was amortised in the 2012 financial year.

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.

	2012 $	2011 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	12,378,570	4,902,838
Non-current Assets	428,366	-
TOTAL ASSETS	12,806,936	4,902,838
LIABILITIES		
Current Liabilities	262,129	180,690
TOTAL LIABILITIES	262,129	180,690
NET ASSETS	12,544,807	4,722,148
EQUITY		
Issued Capital	14,890,208	6,115,197
Retained earnings	(2,763,979)	(1,742,964)
Share option reserve	418,578	349,915
TOTAL EQUITY	12,544,807	4,722,148
STATEMENT OF COMPREHENSIVE INCOME		
Total profit (loss) of the Parent Entity	(933,139)	(1,742,964)
Total Comprehensive Income of the Parent	**(933,139)**	**(1,742,964)**

Note 3 Revenue and Other Income

	Note	Consolidated Group 2012	2011
Revenue from continuing operations		$	$
Revenue			
Student Payments		1,869,034	911,408
Placement Services		1,679,463	-
Sale of goods		1,560	8,844
Government subsidies received	3(a)	153,444	3,504
Other revenue		85,606	60,424
		3,789,107	984,180
Interest revenue from:			
— directors	25(b)	1,163	2,167
— other persons		36,405	43,029
Total interest revenue on financial assets not at fair value through profit or loss		37,568	45,196

(a) In June 2012 the company received an Export Market Development Grant of $150,000 to offset the marketing and business development expenses in the Philippines. The company has fulfilled all of the conditions attaching to this grant and as such the full amount has been recognised. The company has also received minor Government subsidies for the provision of vocational training the company has fulfilled all conditions attaching to these subsidies.

Note 4 Expenses

	Note	Consolidated Group 2012	2011
Employee benefits expense		$	$
Wages and salaries		3,559,948	2,155,603
Superannuation expense		105,089	109,062
Payroll tax and workers compensation		10,971	33,638
Annual and long service leave		19,413	33,587
Contractor expenses		1,088,201	683,310
Share-based payment expense		68,663	208,667
		4,852,285	3,223,867
Other Expenses			
Legal, accounting and other professional fees		646,205	691,251
Travel & Accommodation		759,963	430,032
Marketing Expense		372,070	357,816
Goodwill Impairment		-	166,379
Other Operating Expenses		2,445,530	1,445,493
		4,223,768	3,090,971
Finance Costs			
Bank Charges		14,158	9,149
Merchant Fees		694	763
Interest Expense - Third Parties		28,654	3,750
Interest Expense - Related Parties (Wayburn Holdings)		12,240	-
Facilities Fee		23,278	462
		79,024	14,124

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 2012.

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

	Consolidated Group 2012	2011
	$	$
Short-term employee benefits	1,360,035	1,292,229
Post-employment benefits	43,775	46,143
Other long term benefits	-	3,857
Share-based payments	41,250	66,559
	1,445,060	1,408,788

Note 5 Interests of Key Management Personnel (KMP) continued

The number of options over ordinary shares held during the financial year by each KMP of the Group is as follows:

	Balance 1 July 2011	Granted as remuneration	Options Exercised	Net Other Change[1]	Balance 30 June 2012	Total	Exercisable	Not exercisable
Vernon Wills	500,000	-	-	-	500,000	500,000	500,000	-
David Hutchison	315,000	-	-	(300,000)	15,000	15,000	15,000	-
Nicasio Alantara	500,000	-	-	-	500,000	500,000	500,000	-
Steve Ghost	-	-	-	-	-	-	-	-
Kingsley Clark	-	-	-	-	-	-	-	-
Bernard Hogan	200,000	-	-	(200,000)	-	-	-	-
Ismail Tahir	300,000	-	-	(300,000)	-	-	-	-
Adam Roberts	200,000	-	-	(200,000)	-	-	-	-
Adam Waters	300,000	-	-	(300,000)	-	-	-	-
Matthew Wedmaier	140,000	-	-	(140,000)	-	-	-	-
Paul Young	500,000	-	-	(500,000)	-	-	-	-
	2,955,000	-	-	(1,940,000)	1,015,000	1,015,000	1,015,000	-

[1] Cancelled when employment with Site Group concluded

	Balance 1 July 2010	Granted as remuneration	Options Exercised	Net Other Change	Balance 30 June 2011	Total	Exercisable	Not exercisable
Vernon Wills	-	500,000	-	-	500,000	500,000	500,000	-
David Hutchison	-	465,000	-	(150,000)	315,000	315,000	15,000	300,000
Nicasio Alantara	-	500,000	-	-	500,000	500,000	500,000	-
Kingsley Clark	-	-	-	-	-	-	-	-
Bernard Hogan	500,000	300,000	-	(600,000)	200,000	200,000	-	200,000
Ismail Tahir	-	450,000	-	(150,000)	300,000	300,000	-	300,000
Adam Roberts	100,000	300,000	-	(200,000)	200,000	200,000	-	200,000
Adam Waters	450,000	450,000	-	(600,000)	300,000	300,000	-	300,000
Matthew Wedmaier	200,000	210,000	-	(270,000)	140,000	140,000	-	140,000
Paul Young	-	500,000	-	-	500,000	500,000	500,000	-
	1,250,000	3,675,000	-	(1,970,000)	2,955,000	2,955,000	1,515,000	1,440,000

Details of the options outstanding at 30 June 2012 are as follows:

Mr Hutchison (15,000 option exercisable at $0.25 per share)
Issue Date: 26 November 2010 Vesting Date: 26 November 2010 Expiry Date: 26 November 2013

Messrs Wills and Alcantara (500,000 options each exercisable at $0.25 per share)
Issue Date: 1 November 2010 Vesting Date: 1 November 2010 Expiry Date: 1 November 2013

KMP Participation in the Employee and Associates Share Scheme

The number of ordinary shares held during the financial year by each KMP of the Group under the Employee and Associates Share Plan is as follows:

	Balance 1 July 2011	Granted as remuneration	Shares Sold	Net Other Change	Balance 30 June 2012	Total	Tradeable	Escrowed
Vernon Wills	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
Nicasio Alantara	-	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Darryl Somerville	-	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Shaun Scott	-	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Brett McPhee	-	750,000	-	-	750,000	750,000	-	750,000
John Rodgers	-	750,000	-	-	750,000	750,000	-	750,000
Paul Scaysbrook	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
Graham Yerbury	-	2,000,000	-	-	2,000,000	2,000,000	-	2,000,000
	-	10,500,000	-	-	10,500,000	10,500,000	-	10,500,000

The Share Plan for employee and associates was approved by Shareholders and shares were issued to eligible employees and associates in May and June 2012. The Plan issued shares at $0.20 per share with the company providing the employee or associate with a loan covering the subscription price of the shares. Half of the issued shares are escrowed for 12 months from date of issue with the balance being escrowed for 24 months from date of issue. The employees or associates right to the shares terminates should they cease to be employed or associated with the Site Group of companies.

Note 6 Auditors' Remuneration

	2012	2011
	$	$
Remuneration of the auditor Ernst & Young (Australia) of the parent entity for:		
— auditing or reviewing the financial report	81,000	60,000
— taxation services	28,870	10,210
— due diligence services	41,200	136,182
	151,070	206,392
Remuneration of overseas related parties of Ernst & Young (Australia) of subsidiaries for:		
— auditing or reviewing the financial statements of subsidiaries	34,045	-

Note 7 Earnings per Share

	Consolidated Group	
	2012	2011
	$	$
a) Earning used in calculating earnings per share		
For basic and diluted earnings per share:		
Net profit from continuing operations attributable to ordinary equity holders of the parent	(7,750,684)	(9,899,904)
Loss attributable to discontinued operations	-	-
Net profit attributable to ordinary equity holders of the parent	(7,750,684)	(9,899,904)
b) Weighted average number of shares	No.	No.
Weighted average number of ordinary shares for basic and diluted earnings per share	182,250,889	119,407,870
c) Earnings (loss) cents per share	(4.25)	(8.29)

Note 8 Cash and Cash Equivalents

	Note	Consolidated Group	
		2012	2011
		$	$
Cash at bank and in hand		586,380	409,449
	26	586,380	409,449

Reconciliation of cash

	2012	2011
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		
	586,380	409,449
	586,380	409,449

Note 9 Trade and Other Receivables

	Note	Consolidated Group 2012 $	2011 $
CURRENT			
Trade receivables		1,349,936	104,165
Provision for impairment	9(a)	(74,048)	-
		1,275,888	104,165
Other receivables		123,626	67,663
Total current trade and other receivables		1,399,514	171,828

a) Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing and generally on 30-day terms. Non-current trade and term 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 or term receivable is impaired. These amounts have been included in the other expenses item.

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

	Opening Balance 1 July 2011	Charge for the Year	Amounts Written Off	Closing Balance 30 June 2012
Consolidated Group				
Current Trade Receivables	-	74,048	-	74,048

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 2012						
Trade receivables	1,275,888	630,687	250,020	74,058	247,076	74,048
Other receivables	123,626	100,047	23,579	-	-	-
Total	1,399,514	730,734	273,599	74,058	247,076	-
As at 30 June 2011						
Trade receivables	104,165	24,878	9,588	15,139	54,560	-
Other receivables	67,663	67,663	-	-	-	-
Total	171,828	92,541	9,588	15,139	54,560	-

*Past due not impaired (PDNI)
Considered impaired (CI)

b) Financial Assets Classified as Loans and Receivables

See Note 26 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 25.

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.

e) Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in note 26.

Note 10 Inventory

	Note	Consolidated Group 2012 $	2011 $
CURRENT			
Finished goods at cost		48,005	99,515
Total inventories at the lower of cost and net realisable value		48,005	99,515

Note 11 Controlled Entities

a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)* 2012	2011
Subsidiaries of Site Group International Limited:			
Site Group Holdings Pty Ltd	Australia	100%	100%
Site Education Australia Pty Ltd	Australia	100%	100%
Site WorkReady Py Ltd	Australia	100%	100%
Site Labourhire Pty Ltd	Australia	100%	100%
Site Skills Group Pty Ltd	Australia	100%	-
Site Skills Academy Pty Ltd	Australia	100%	-
Site WorkReady (Philippines) Pty Ltd	Australia	100%	-

* Percentage of voting power is in proportion to ownership

Note 12 Property, Plant and Equipment

	Note	Consolidated Group 2012 $	2011 $
PLANT AND EQUIPMENT			
Leasehold Improvements			
At Cost		4,316,313	4,010,251
(Accumulated depreciation)		(363,255)	(179,555)
Net carrying amount - leasehold improvements		3,953,058	3,830,696
Capital works in Progress			
At Cost		497,173	-
Computers			
At cost		244,560	152,033
(Accumulated depreciation)		(120,650)	(55,593)
Net carrying amount - computers		123,910	96,440
Furniture and fittings			
At cost		2,213,167	1,149,858
(Accumulated depreciation)		(725,885)	(388,800)
Net carrying amount - furniture and fittings		1,487,282	761,058
Vehicles			
At cost		211,810	155,486
(Accumulated depreciation)		(71,037)	(33,052)
Net carrying amount - vehicles		140,773	122,434
Total property, plant and equipment		6,202,196	4,810,628

Note 12 Property, Plant and Equipment continued

a) Movements in Carry 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 2010	4,330,295	-	89,028	759,455	131,585	5,310,363
Additions	216,423	-	59,415	299,110	63,779	638,727
Disposals	-	-	-	(13,533)	(29,969)	(43,502)
Depreciation expense	(163,103)	-	(43,083)	(210,387)	(28,700)	(445,273)
Exchange rate differences	(552,919)	-	(8,920)	(73,587)	(14,261)	(649,687)
Balance at 30 June 2011	3,830,696	-	96,440	761,058	122,434	4,810,628
Additions - Cash Settled	32,382	497,173	90,841	872,117	47,529	1,540,042
Additions - Equity Settled				70,000		70,000
Disposals	-	-	-	-	-	-
Depreciation expense	(183,700)	-	(65,057)	(281,468)	(37,985)	(568,210)
Exchange rate differences	273,680	-	1,686	65,575	8,795	349,736
Balance at 30 June 2012	3,953,058	497,173	123,910	1,487,282	140,773	6,202,196

The exchange rate differences reflect the impact of the change of the AUD/PHP exchange rate on the opening balances fixed asset balances recorded in Philippines Peso (PHP) at 1 July 2011. The exchange rate at 30 June 2011 was 45.97 PHP to the AUD and at 30 June 2012 the exchange rate was 42.48 PHP to the AUD a 7.6% increase.

Note 13 Intangible Assets

	Note	Consolidated Group 2012	2011
		$	$
(i) Current			
Pre-paid Service and Employment Services			
Cost		223,917	-
Total Current Intangible Assets		223,917	-
(ii) Non-Current			
Goodwill			
Cost		-	166,379
Accumulated impaired losses		-	(166,379)
Net carrying value		-	-
Training Licences and Course Material			
Cost		749,956	-
Accumulated Amortisation		(83,089)	-
Net Carrying Value		666,867	-
Pre-paid Service and Employment Services			
Cost		521,807	-
Accumulated Amortisation		(108,300)	-
Net Carrying Value		413,507	-
Total Non-current Intangible Assets		1,080,374	-
Total Intangible Assets		1,304,291	-

Note 13 Intangible Assets continued

(a) Reconciliation of carrying amounts at the beginning and end of the period

Movements in carrying amount for each class of intangible asset between the beginning and the end of the current financial year.

	Goodwill	Training Licences Courses	Employment & Service Contracts	Total
	$		$	$
Consolidated Group:				
Balance at 30 June 2010	166,379	-		166,379
Additions				-
Impairments	(166,379)			(166,379)
Amortisation expense				-
Exchange rate differences				-
Balance at 30 June 2011	-	-	-	-
Additions	-	749,956	745,724	1,495,680
Impairments	-	-	-	-
Amortisation expense	-	(83,089)	(108,300)	(191,389)
Exchange rate differences	-	-	-	-
Balance at 30 June 2012	-	666,867	637,424	1,304,291

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. In the prior financial year the group impaired the goodwill associated with Site Education Australia Pty Ltd.

The prior period goodwill impairment related to the Australian operations and was allocated to the Australian segment.

Note 14 Other Financial Assets

	Note	Consolidated Group 2012	2011
		$	$
CURRENT FINANCIAL ASSETS			
Supplier Advances		4,330	74,760
Employee Advances		-	40,217
Other		435	-
		4,765	114,977
NON-CURRENT FINANCIAL ASSETS			
Other non-current assets		325	-
		325	-

Note 15 Trade and Other Payables

	Note	Consolidated Group 2012 $	2011 $
Unsecured liabilities			
Trade payables		717,547	420,624
Amounts payable to:			
— Employee related payables		152,334	209,146
— Unearned income		284,240	250,239
— Accruals		259,730	241,130
— Other Payables		12,799	2,358
Total trade and other payables		1,426,650	1,123,497

(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 25.

(c) Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in note 26.

Note 16 Interest Bearing Debt

(i) Current Financial Liabilities

	Note	Consolidated Group 2012 $	2011 $
Finance Lease Liability due within 12 months		4,953	-
Unsecured Loan		2,012,240	-
		2,017,193	-

On 3 May 2012 Site Group International Ltd entered into a loan arrangement with Wayburn Holdings Pty Ltd, a company associated with Mr Vern Wills Managing Director and CEO. The loan facility of up to $2.0 million is unsecured and repayable in 12 months. Interest at the rate of 7.5% per annum is calculated monthly on daily balance outstanding. Interest charged on the facility in the 2012 financial year was $12,240.

(ii) Non-current Financial Liabilities

	Note	Consolidated Group 2012 $	2011 $
Finance Lease Liability		24,317	-
		24,317	-

Note 17 Taxation

	Note	Consolidated Group 2012 $	2011 $
a) Income tax expense			
The major components of income tax expense are:			
Statement of Comprehensive Income			
Current income tax			
Current income tax charge		4,536	11,197
Adjustments in respect of current income tax of previous years		-	-
Deferred income tax		-	-
Relating to origination and reversal of timing differences		-	-
Income tax expense reported in the statement of comprehensive income		4,536	11,197
b) Numerical reconciliation between aggregate tax expense			
A reconciliation between tax expense and the product of accounting			
Accounting profit/loss before tax from continuing operations		(7,746,148)	(9,888,707)
At the Parents Entity's statutory income tax rate of 30% (2011 - 30%)		(2,323,844)	(2,966,612)
Deferred tax asset not recognised		2,323,844	2,966,612
Other		4,536	11,197
		4,536	11,197
Aggregate income tax expense attributed to: Continuing operations		(4,536)	(11,197)
		(4,536)	(11,197)
The applicable weighted average effective tax rates are:		0%	0%

	Note	Consolidated Group 2012 $	2011 $
c) Tax liabilities			
CURRENT			
Income tax payable		2,632	8,502
TOTAL		2,632	8,502
NON-CURRENT			
Deferred tax liability		-	-
Balance as at 30 June		-	-
d) Tax assets			
CURRENT			
Income tax		-	-
TOTAL		-	-
NON-CURRENT			
Deferred tax asset		-	-
Balance as at 30 June		-	-

e) Tax losses

The group has not recognised estimated deferred tax assets of $5.3 million (2011: $3.0 million) in relation to tax losses due to the uncertainty of timing for the offset of these losses against future profits.

Note 18 Provisions

	Note	Consolidated Group 2012	2011
CURRENT		$	$
Employee - Annual Leave		129,438	102,756
Other - Make good provision		-	10,000
Balance at 30 June		129,438	112,756

(a) Movement in provisions

Movements in provision's other then those relating to annual leave, are set out below:

	Make good provision	Total
At 1 July 2011	10,000	10,000
Arising during the year	-	-
Utilised	(10,000)	(10,000)
At 30 June 2012	-	-

The Make Good provision related to office premises in Adelaide which were closed on 28 February 2012.

	Note	Consolidated Group 2012	2011
		$	$
NON CURRENT			
Provision for long service leave	18(b)	-	13,036
Provision for Lease Rental Incentive	18(d)	1,329,539	814,046
		1,329,539	827,082

(b) Movement in provisions

Movements in provisions relating to employee benefits are set out below:

	Long Service Leave	Total
At 1 July 2011	13,036	13,036
Arising during the year	-	-
Utilised/Provision Released	(13,036)	(13,036)
At 30 June 2012	-	-

The company’s policy is to recognise a liability for long service leave once an employee reaches five years of service. As no employee currently meets that criterion the existing balance was reversed against employment expense in this financial year.

Note 18 Provisions continued

(c) Analysis of Total Provisions and Non - Current Liabilities

Current	129,438	112,756
Non-current	1,329,539	827,082
	1,458,977	939,838

(d) Lease Rental Incentive

The lease of the Clark Facility included a three year rent free period which concludes in October 2012. The rental expense has been accrued and booked each year - this will now be unwound against future rental payments over the remainder of the lease.

Note 19 Issued Capital

	Note	Consolidated Group 2012 $	2011 $
229,563,482 fully paid ordinary shares (2011: 134,535,101)		26,559,139	17,107,021
Cost of Capital Raising		(1,196,211)	(519,103)
		25,362,928	16,587,918

(a) Ordinary Shares

	No. Shares	$
At 1 July 2008		
Share issue on 29 May 2009	40,000,000	1
Shareholder equity contribution	-	53,496
At 30 June 2009	40,000,000	53,497
Share issue on 31 July 2009	32,000,000	4,800,000
Shareholder equity contribution		3,320,000
Exercise of options on 19 June 2010	2,000,000	300,000
At 30 June 2010	74,000,000	8,473,497
Share issue on 30 July 2010	18,221,121	3,679,224
Share issue on 6 October 2010	267,480	53,496
Reversal of shareholder equity contribution on issue of share capital		(53,496)
Reversal of shareholder equity contribution on issue of share capital		(3,320,000)
Share issue on 11 October 2010	8,375,000	1,675,000
Share capital of Site	100,863,601	10,507,721
Share capital of Lazco	7,471,000	1,494,300
Share issue on 16 December 2010	25,000,000	5,000,000
Share issue on 16 December 2010	700,000	105,000
Share issue on 21 June 2011	500,500	-
Transaction costs relating to capital raising	-	(519,103)
30 June 2011 share capital	134,535,101	16,587,918
Share Issue - 4 November 2011	18,210,000	1,871,090
Share Issue - 18 November 2011	38,186,275	4,200,490
Share Issue - 20 December 2011	21,517,106	2,158,738
Share Issue - 16 February 2012	750,000	70,000
Share Issue - 26 April 2012	2,085,000	-
Share Issue - 9 May 2012	7,030,000	-
Share Issue - 20 June 2012	7,250,000	649,800
Shares to be Issued post 30 June 2012	-	502,000
Transaction costs relating to capital raising	-	(677,108)
30 June 2012 share capital	229,563,482	25,362,928

Note 19 Issued Capital continued

- 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 the 2010 financial year, 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.
- 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.
- On the 20 June 2011 500,000 shares held in escrow were released for full quotation.
- Transaction costs of $484,103 were incurred which related to the issue of equity instruments. These costs are treated as a deduction from equity
- On 4 November 2011 18,710,000 shares were issued to holders of convertible notes issued in October 2011 the conversion price was $0.10 per share
- On 18 November 2011 the company completed a fully underwritten rights issue and issued 38,186,275 shares at $0.11 per share
- On 20 December 2011, following approval by shareholders the company issued 21,517,106 shares to related parties for the conversion of convertible notes
- On 16 February 2012 the company issued 750,000 shares to the vendors of Sun Coast Training and Accreditation valued at $70,000 as part of the transaction consideration
- On 26 April 2012 the company issued 2,085,000 shares as sign on bonuses to employees whilst the issue value per share varied the total valuation of the issue was $289,770 however for accounting purposes the value is recognised as a movement in the Option Reserve over the vesting period of the shares.
- On 9 May 2012 7,030,000 shares were issued under the Employee Share Plan. For accounting purposes the nature of the Share Plan results in the shares been valued as if these were options with a result that the issue price of $0.20 per share will not be recorded until the conditions of issue are satisfied.
- On 20 June 2012 following the approval of shareholders 1,250,000 shares were issued to Directors and associates under terms similar to the Employee Share Plan as well as 6,000,000 shares issued as part of the transaction to secure the services of CYBA Services valued at $649,800.

- On 28 June 2012 the company received part proceeds from the private placement of shares at $0.12 per share; the shares were issued on 6 July 2012.

Note 19 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 23: Share-based Payments.

ii. For information relating to share options issued to key management personnel during the financial year. Refer to Note 23: Share-based Payments.

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. These responses primarily include share issues.

During 2012, management have not paid any dividends. Furthermore, management does not intend to pay any dividends whilst the group is in the start-up phase.

Note 20 Capital and Leasing Commitments

	Note	Consolidated Group 2012 $	2011 $
(a) Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements			
Payable — minimum lease payments			
not later than 12 months		1,223,596	504,372
between 12 months and 5 years		4,334,700	2,100,967
greater than 5 years		8,566,129	9,353,584
		14,124,425	11,958,923

The group has an operation through a branch located in the Philippines. On October 30 2009 the Branch 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.

During the year the Group has entered into a 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 twelve months with continuing option to renew. All of the leases grant options for renewal at expiration of the current lease.

Note 20 Capital and Leasing Commitments continued

(b) Finance Lease

The group entered into a finance lease for the acquisition of a motor vehicle during the year. The lease has renewal terms but no purchase options or escalation clauses. Renewal is at the option of the specific entity that holds the lease. Future minimum lease payments under the finance lease together with the present value of the net minimum lease payments are as follows:

	Consolidated Group			
	2012		2011	
	$	$	$	$
	Minimum Payments	Present Value of Payments	Minimum Payments	Present Value of Payments
Payable — lease payments				
not later than 12 months	7,699	6,429	-	-
between 12 months and 5 years	29,664	24,773	-	-
greater than 5 years	-	-	-	-
	37,363	31,202	-	-

Note 21 Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer (who is the chief operating decision maker) in assessing performance and in determining the allocation of resources.

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 geographical locations of facilities and customers. The principal geographical locations of facilities and 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, and the total assets and liabilities, analysed by reportable geographical segment, for the period under review.

Year ended 30 June 2012

	Australia	Philippines	Total
	$	$	$
Revenue			
Sales revenue	3,445,141	343,966	3,789,107
Total segment revenue	3,445,141	343,966	3,789,107
Segment net operating profit/ (loss) after tax	(4,650,497)	(3,100,187)	(7,750,684)
Interest revenue	32,882	4,686	37,568
Interest expense	(40,788)	(105)	(40,893)
Depreciation	(290,308)	(469,291)	(759,599)
Impairment of goodwill	-	-	-
Income tax expense	-	(4,536)	(4,536)
Segment Assets	4,657,764	5,466,017	10,123,781
Total segment liabilities	3,227,948	1,701,821	4,929,769
Other Disclosure			
Capital Expenditure	1,236,321	373,721	1,610,042

Year ended 30 June 2011

	Australia	Philippines	Total
	$	$	$
Revenue			
Sales revenue	312,906	671,274	984,180
Total segment revenue	312,906	671,274	984,180
Segment net operating profit/ (loss) after tax	(5,757,775)	(4,142,129)	(9,899,904)
Interest revenue	40,665	4,531	45,196
Interest expense	-	(3,708)	(3,708)
Depreciation	(67,060)	(378,213)	(445,273)
Impairment of goodwill	(166,397)	-	(166,397)
Income tax expense	-	(11,197)	(11,197)
Segment Assets	528,027	5,402,540	5,930,567
Segment Liabilities	764,085	1,307,752	2,071,837
Other Disclosure			
Capital Expenditure	240,767	397,960	638,727

Note 22 Cash Flow Information

	Note	Consolidated Group 2012 $	2011 $
Reconciliation of net profit/(loss) after tax to net cash flows from operations			
Profit (Loss) after income tax expense		(7,750,684)	(9,899,904)
Non cash items			
Depreciation of property, plant and equipment		759,599	445,273
Foreign exchange (gain)/ loss		(52,983)	1,131,539
Movement in employee entitlements and make good provisions		3,564	32,050
Share based payments expense		68,663	208,667
Impairment of non current assets		-	166,379
Other			
Transaction costs		-	826,542
Listing expense		-	744,300
Net (profit)/loss on sale of PPE		-	-
		(6,971,841)	(6,345,154)
Change in assets and liabilities			
(Increase)/Decrease in receivables		(1,227,686)	(44,479)
(Increase)/Decrease in inventory		51,510	(69,872)
Increase/(Decrease) in payables and accruals		805,610	602,006
Other Working Capital Movements		(84,661)	323,366
Net cash from operating activities		(7,427,068)	(5,534,133)

Note 23 Share Based Payments

(a) Recognised share-based payment expenses

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

	Note	Consolidated Group 2012 $	2011 $
Share options expense			
Expense/(write back) arising from equity-settled share-based payments		(28,317)	208,667
Employee services			
Expense arising from the amortisation of employee sign on shares		72,751	-
Expense arising from the amortisation of the Employee Share Plan		24,229	
Total expense arising from share based payment transactions		68,663	208,667

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) 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 23 Share Based Payments continued

Employee Share Plan shares issued 9 May 2012	Tranche 1 Escrowed for 12 Months	Tranche 2 Escrowed for 24 Months
Number of shares issued	3,015,000	3,015,000
Price paid per share	$0.20	$0.20
Discount to market price at time of issue	-	-
Market price of shares at grant date	$0.16	$0.16
Expected volatility	52.25%	52.25%
Risk free interest rate	3.75%	3.75%
Dividend yield	0.0%	0.0%
Escrow period of shares	12 months	24 months

(b) Employee Share Option Scheme (ESOP)

Options issued under the ESOP were forfeited or cancelled during the financial year - there were no employee options outstanding at 30 June 2012.

A summary of the movements of all company options issued is as follows:

	Consolidated Group		
	Number		Weighted Average Exercise price
Options outstanding 30 June 2010	**-**	**$**	**-**
Granted	8,835,000	$	0.24
Forfeited			
Exercised			
Replaced			
Expired	(720,000)	$	0.24
Options outstanding 30 June 2011	8,115,000	$	0.24
Granted			
Forfeited	(8,115,000)	$	0.24
Exercised			
Replaced			
Expired			
Options outstanding 30 June 2012	-	$	-

The outstanding options of **8,115,000 as at 30 June 2011** were represented by:

570,000 options over ordinary shares with an exercise price of $0.25 each, exercisable upon remaining employed until 31 May 2012 and exercisable until 30 June 2012.
570,000 options over ordinary shares with an exercise price of $0.30 each, exercisable upon remaining employed until 31 May 2013 and exercisable until 30 June 2013.
2,000,000 options over ordinary shares with an exercise price of $0.25 each, exercisable immediately and exercisable until 1 November 2013.
3,675,000 options over ordinary shares with an exercise price of $0.25 each, exercisable upon remaining employed until 1 November 2010 and exercisable until 26 November 2013.
150,000 options over ordinary shares with an exercise price of $0.25 each, exercisable upon remaining employed until 31 May 2012 and exercisable until 30 June 2012.

150,000 options over ordinary shares with an exercise price of $0.30 each, exercisable upon remaining employed until 31 May 2013 and exercisable until 30 June 2013.
1,000,000 options over ordinary shares with an exercise price of $0.25 each, exercisable upon remaining employed until 1 November 2010 and exercisable until 1 November 2013.

Weighted average remaining contractual life

The weighted average remaining contractual life for the share options outstanding as at 30 June 2011 is 2.04 years

Range of exercise price

The range of exercise prices for options outstanding at end of the 2011 year was $0.20 - $0.30

Weighted average fair value

The weighted average fair value of options granted during the 2011 year was $0.024

Option pricing model: ESOP

The fair value of the equity-settled share options granted under the ESOP is estimated as at the date of grant using a Binomial Option Pricing Model taking into account the terms and conditions upon which the options were granted. The Binomial methodology produces an estimated fair value based on the assumed changes in the prices of a financial instrument over successive periods of time. The model takes into account the historic dividends and share price volatilities.

The following tables list the inputs to the models used for the year ended 30 June 2011.

Option packet	Dividend Yield (%)	Expected volatility (%)	Risk-free interest rate (%)
Tranche #1	0	25	4.64
Tranche #2	0	25	4.80
Tranche #3	0	25	4.83
Tranche #4	0	25	4.83
Tranche #5	0	25	4.50
Tranche #6	0	25	4.50
Tranche #7	0	25	4.50
Tranche #8	0	25	4.50
Tranche #9	0	25	4.50

Option packet	Weighted average share price a measurement date	Option exercise price ($)	Expected life of option (years)
Tranche #1	20	0.20	0.59
Tranche #2	20	0.25	1.59
Tranche #3	20	0.30	2.59
Tranche #4	20	0.25	3.00
Tranche #5	20	0.25	3.00
Tranche #6	20	0.20	0.66
Tranche #7	20	0.25	1.66
Tranche #8	20	0.30	2.66
Tranche #9	20	0.25	3.00

Note 24 Events after the Reporting Period

On 9 July 2012 the Site Group was awarded a multi-year contract to provide training and assessment services to the Malampaya Deep-water Gas to Power Project. The contract involves the delivery of on-site vocational assessment services as well as residential training at the Clark facility for up to 1,800 people. The first training course is scheduled for September 2012.

The Share Purchase Plan announced on 27 June 2012 closed as planned on 20 July 2012 raising $971,000. The company is seeking to place some or the entire shortfall under this Plan. Placement of Share Purchase Plan shortfall was completed on 20 August 2012 which subject to shareholder approval will raise an additional $3.15 million which will be received in early October.

The acquisition of the Axis Training Group was completed in early July 2012. The business acquired includes licences to operate as a Registered Training Organisation in Western Australia and the Northern Territory with registered training scopes aligned to Site's target markets in the mining and construction sector. The training scopes acquired are fully complementary to our training services in Western Australia. Site employed all of the existing staff which included a number of experienced trainers.

Prior to the acquisition Axis Training Group had secured premises to deliver training in Darwin and as part of the acquisition Site has now completed the development of those premises and has commenced training at those facilities.

Note 25 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.

(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.

Note 25 Related Party Transactions continued

	Note	Consolidated Group 2012 $	2011 $
Transactions with related parties:			
Subsidiaries			
Management Fees			
Site Education Australia Pty Ltd - Management Fee		(659,739)	(1,089,696)
Site Group Holdings Pty Ltd - Management Fee		659,739	1,089,696
Tuition Fees			
Site Group Holdings Pty Ltd - Tuition Fees		(698,829)	-
Site WorkReady Pty Ltd - Tuition Fees Paid		698,829	-
Key Management Personnel			
Interest revenue			
Interest received from directors		1,163	2,167
Interest received from other key management personnel		-	-
Interest Paid			
Interest paid to directors and their associates		34,850	-
Interest paid to other key management personnel		-	-

(c) Amounts outstanding from related parties

Trade and Other Receivables

Unsecured loans made to directors, key management personnel and other related parties are on an arm's length basis. The repayment terms in respect of the loan were 3 months. Interest is payable at market rates.

	2012	2011
Loans to Key Management Personnel		
Beginning of the year	42,167	-
Loans advanced	-	40,000
Loan repayment received	(43,330)	-
Interest not charged	-	-
Interest charged	1,163	2,167
Interest received	-	-
End of the year	-	42,167
Provision for Impairment		
Beginning of the year Doubtful debt expense	-	-
End of the year	-	-
The number of KMP which had loans during the period:	1	1

(d) Loans from related parties:

	Note	Consolidated Group 2012 $	2011 $
Interest Bearing Loan - Wayburn Holdings Pty Ltd		2,012,240	-

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 7.5% per annum on the drawn component calculated and credited monthly. The facility is for a 12 month term and may be repaid by the company at any time up to maturity. The facility was fully drawn at 30 June 2012. Interest charged on the loan was $12,240 to 30 June 2012.

Note 26 Financial Risk Management

(a) Liquidity Risk

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases. 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 2012 $	2011 $
Financial Assets			
Cash and cash equivalents	8	586,380	409,449
Loans and receivables	9	1,399,514	171,828
Other Financial Assets	14	4,766	114,977
Other Non-current Financial Assets	14	325	324,170
Total Financial Assets		1,990,985	1,020,424
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	15	1,142,410	873,258
— Borrowings	16	2,017,193	-
Provisions and Other Current Financial Liabilities	16	24,317	-
Total Financial Liabilities		3,183,920	873,258

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	
	2012	2011	2012	2011	2012	2011	2012	2011
Financial Liabilities due for Payment								
Trade and other payables	1,142,410	873,258	-	-	-	-	1,142,410	873,258
Borrowings	2,017,193	-	-	-	-	-	2,017,193	-
Other Current Financial Liabilities	7,699	-	29,644	-	-	-	37,343	-
Total Expected Outflows	3,167,302	873,258	29,644	-	-	-	3,196,946	873,258
Financial Assets - cash flows realisable								
Cash and Cash Equivalents	586,380	409,449	-	-	-	-	586,380	409,449
Loans and Receivables	1,399,514	171,828	-	-	-	-	1,399,514	171,828
Other Financial Assets	4,766	114,977	-	-	-	-	4,766	114,977
Other Non-current Financial Assets	-	-	325	324,170	-	-	325	324,170
	1,990,660	696,254	325	324,170	-	-	1,990,985	1,020,424
Net (Outflow)/Inflow	(1,176,642)	(177,004)	(29,319)	324,170	-	-	(1,205,961)	147,166

Note 26 Financial Risk Management continued

(b) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's holding of cash. 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:

	Note	Consolidated Group	
		2012	2011
Financial Assets		$	$
Cash and Cash Equivalents		586,380	409,449

	Post Tax Profit higher / (lower)		Other Comprehensive Income higher / (lower)	
	2012	2011	2012	2011
Consolidated	$	$	$	$
+ 1% (100 basis points)	4,979	4,094	-	-
- .5% (50 basis points)	(2,490)	(2,047)	-	-

(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 the Philippines, the Group's statement of financial position can be affected by movements in the Philippines Peso/Australian Dollar exchange rate and the Philippines Peso/United States Dollar exchange rate. The Branch's foreign currency-denominated monetary assets and liabilities are shown below.

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. The foreign currency risk in the books of the parent is considered immaterial and is therefore not shown.

	Note	Consolidated Group	
		2012	2011
		$	$
Financial Assets			
Cash and cash equivalents		66,503	215,873
Loans and receivables		97,480	111,317
Total Financial Assets		163,983	327,190
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables		(248,065)	(481,481)
— Borrowings		-	-
Total Financial Liabilities		(248,065)	(481,481)
Net Exposure		(84,082)	(154,291)

	Post Tax Profit higher / (lower)		Other Comprehensive Income higher / (lower)	
	2012	2011	2012	2011
	$	$	$	$
Consolidated				
PHP to USD +15%	11,206	20,093	-	-
PHP to USD -15%	(15,161)	(27,184)	-	-
PHP to AUD +15%	10,967	20,125	-	-
PHP to AUD -15%	(14,838)	(27,228)	-	-

Note 26 Financial Risk Management continued

(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 27 Retained Earnings and Reserves

(a) Movement in Retained Earnings and Reserves

	Note	Consolidated Group	
		2012	2011
		$	$
Balance 1 July		(13,547,450)	(3,647,546)
Net loss for the period		(7,750,684)	(9,899,904)
Balance 30 June		(21,298,134)	(13,547,450)

(b) Other Reserves

	Consolidated Group		
	Options Reserve	Foreign Currency Translation	Total
	$	$	$
At 1 July 2011	349,915	468,347	818,262
Foreign currency translation	-	242,293	242,293
Share based payment	68,663	-	68,663
At 30 June 2012	418,578	710,640	1,129,218

(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.

Options Reserve

The options reserve is used to record the value of share based payments provided to employees, including KMP, as part of their remuneration. Refer to note 23 for further details on this plan.

Note 28 Company Details

The registered office of the company is:

Site Group International Limited
Level 4,
96 Albert 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
- 142 Coonawarra Road, Winnellie NT 0820
- Centennial Road, Clark Freeport Zone, Pampanga, Philippines 2023

Site WorkReady:

- Level 6, 731-737 Hay Street, Perth, WA. 6000
- U143 La Fuerza Plaza 1, 2241 Don Chinos Roces Avenue, Makati City Philippines

Directors' Declaration

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

a) the financial statements and notes of Site Group International Limited as set out on pages 7 to 77, are in accordance with the Corporations Act 2001, and:
   i. comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
   ii. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
   iii. give a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date

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

On behalf of the Board

Vernon Wills
Director
Brisbane 28 August 2012

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Brisbane QLD 4000 Australia
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Independent auditor's report to the members of Site Group International Limited

Report on the financial report

We have audited the accompanying financial report of Site Group International Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit 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.

Opinion

In our opinion:

a. the financial report of Site Group International Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

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

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report on pages 15 to 20 for the year ended 30 June 2012. 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.

Opinion

In our opinion, the Remuneration Report of Site Group International Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Ric Roach
Partner
Brisbane
28 August 2012

Shareholder Information

1 Twenty Largest Shareholders

(i) Ordinary Shares Inclusive of Escrowed Ordinary Shares

As at 27 August 2012, there are 214,382,433 ordinary shares and an additional 60,815,000 ordinary shares subject to escrow restrictions.

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

Name	No. of Ordinary Shares Held	% of Issued Capital
Mr Vernon Alan Wills And Ms Jillaine Patrice Wills	42,787,727	15.55
Talbot Group Investments	42,171,121	15.32
Mr Vernon Alan Wills And Ms Jillaine Patrice Wills <Wills Family Super Fund A/C>	14,823,688	5.39
Wayburn Holdings Pty Ltd	13,315,317	4.84
Cameron Richard Pty Ltd <Lps P/L No5 Exec B/Plan A/C>	8,350,000	3.03
Mancorp Development Holdings Pty Ltd <The Ilfor A/C>	7,425,641	2.70
Craft Law Pty Ltd <Foster Super Fund A/C>	6,336,972	2.30
Cameron Richard Pty Ltd <Lps Pl No 5 Exec B/Plan A/C>	4,829,545	1.75
Linwierik Super Pty Ltd <Linton Super Fund A/C>	4,170,000	1.52
Smithley Super Pty Ltd <Smith Super Fund A/C>	4,170,000	1.52
Mr John Thorsen & Mrs Wendy Thorsen <John Thorsen Super Fund A/C>	3,725,000	1.35
Suntaneous Pty Ltd <Gb Clents Emp S/F A/C>	3,335,000	1.21
Myall Resources Pty Ltd <Myall Group Super Fund A/C>	3,170,025	1.15
Graham Kenneth Yerbury	3,125,000	1.14
Cyba Recruitment Limited	3,000,000	1.09
John Gilbert Rodgers & Linda Marija Rodgers <J & L Rodgers Family A/C>	3,000,000	1.09
Paul Brian Scaysbrook	3,000,000	1.09
Depofo Pty Ltd <Super A/C>	2,993,392	1.09
Mr Darryl Craig Somerville & Mrs Elizabeth Clare Somerville <Somerfam Super Fund A/C>	2,879,671	1.05
Pershing Australia Nominees Pty Ltd <Blue Ocean Equities A/C>	2,835,000	1.03

(i) Ordinary Shares

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

Name	No. of Ordinary Shares Held	% of Issued Capital
Talbot Group Investments	42,171,121	19.67
Mr Vernon Alan Wills And Ms Jillaine Patrice Wills	15,887,727	7.41
Wayburn Holdings Pty Ltd	13,315,317	6.21
Cameron Richard Pty Ltd <Lps P/L No5 Exec B/Plan A/C>	8,350,000	3.89
Mr Vernon Alan Wills And Ms Jillaine Patrice Wills <Wills Family Super Fund A/C>	7,823,688	3.65
Mancorp Development Holdings Pty Ltd <The Ilfor A/C>	7,425,641	3.46

Name	No. of Ordinary Shares Held	% of Issued Capital
Craft Law Pty Ltd <Foster Super Fund A/C>	6,336,972	2.96
Cameron Richard Pty Ltd <Lps Pl No 5 Exec B/Plan A/C>	4,829,545	2.25
Linwierik Super Pty Ltd <Linton Super Fund A/C>	4,170,000	1.95
Smithley Super Pty Ltd <Smith Super Fund A/C>	4,170,000	1.95
Mr John Thorsen & Mrs Wendy Thorsen <John Thorsen Super Fund A/C>	3,725,000	1.74
Suntaneous Pty Ltd <Gb Clents Emp S/F A/C>	3,335,000	1.56
Myall Resources Pty Ltd <Myall Group Super Fund A/C>	3,170,025	1.48
Depofo Pty Ltd <Super A/C>	2,993,392	1.40
Mr Darryl Craig Somerville & Mrs Elizabeth Clare Somerville <Somerfam Super Fund A/C>	2,879,671	1.34
Pershing Australia Nominees Pty Ltd <Blue Ocean Equities A/C>	2,835,000	1.32
Monto Holdings Pty Limited	2,500,000	1.17
Haymaker Investment Pty Ltd <The Haymaker A/C>	2,445,000	1.14
Ganbros Pty Ltd <Joseph Ganim Family A/C>	2,272,727	1.06
Onmell Pty Ltd <Onm Bpsf A/C>	2,085,000	0.97

(iii) Escrowed Shares

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

Name	No. of Ordinary Shares Held	% of Escrowed Shares
Mr Vernon Alan Wills And Ms Jillaine Patrice Wills	26,900,000	44.23
Mr Vernon Alan Wills And Ms Jillaine Patrice Wills <Wills Family Super Fund A/C>	7,000,000	11.51
Paul Brian Scaysbrook	3,000,000	4.93
Graham Kenneth Yerbury	3,000,000	4.93
Mr Vernon Alan Wills	2,500,000	4.11
Cyba Recruitment Limited	2,000,000	3.29
John Gilbert Rodgers & Linda Marija Rodgers <J & L Rodgers Family A/C>	2,000,000	3.29
Ms Samantha Kaye Stines <The Out Of Category Fam A/C>	2,000,000	3.29
Fernlobe Pty Ltd <Elder Investment A/C>	1,500,000	2.47
Nicasio Alcantara	1,000,000	1.64
Mr Kingsley Peter Clark & Ms Laura Paulina Clark	1,000,000	1.64
Shaun Scott	1,000,000	1.64
Darryl Somerville	1,000,000	1.64
Mr Mark David Franzmann	900,000	1.48
Brett Mcphee	750,000	1.23
John Gilbert Rodgers	750,000	1.23
Baron Partners Limited	700,000	1.15
Shane O'sullivan	600,000	0.99
Ismail Tahir	600,000	0.99
Paul Dempsey	250,000	0.41

(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	67	43,762
1,001 – 5,000	57	153,311
5,001 – 10,000	98	941,542
10,001 – 100,000	155	6,212,723
Greater than 100,000	172	207,031,095
Totals	**549**	**214,382,433**

(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	1	10,000
10,001 – 100,000	16	395,000
Greater than 100,000	29	60,410,000
Totals	**46**	**60,815,000**

(iv) Unmarketable parcels

	Minimum parcel size	Holders	Shares
Minimum $500 parcel at $0.14 per share	3,572	109	128,073

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 shareholders 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.

- **Options**: No voting rights.

4 Substantial Shareholder

Substantial shareholder notices lodged with the company:

Substantial Shareholder	Number of Shares
Mr Vernon Alan Wills, Ms Jillane Patrice Wills and Wayburn Holdings Pty Ltd	73,176,732
Talbot Group Investments Pty Ltd	42,171,121

5 Unquoted Securities

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

Option Holders	**$0.25 Unlisted Options expiring 01/11/2013**	**$0.25 Unlisted Options expiring 26/11/2013**
Southern Cross Limited	-	2,000,000
Others	2,000,000	1,675,000
Total	**2,000,000**	**3,675,000**

6 Application of Funds from Initial Public Offering

Since the Company's securities were listed on the ASX, the Company has used funds raised by its initial public offering in a manner consistent with its business objectives and under its prospectus dated 25 October 2010.