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Level 4, 96 Albert St
Brisbane QLD 4000

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29 August 2013

ASX RELEASE
Appendix 4E and Annual Report

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

- Appendix 4E – Preliminary Final Report for the year ended 30 June 2013: and
- 2013 Annual Report

- Ends -

For further information please contact

Vernon Wills +61 7 3114 5188 vern.wills@site.edu.au

Craig Dawson +61 7 3114 5188 craig.dawson@site.edu.au

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 2013
Previous Corresponding Reporting Period	30 June 2012

Results for Announcement to the Market

	$'000	Percentage increase /(decrease) over previous corresponding period
Revenue	12,960	242%
Profit / (loss) after tax attributable to members	(5,821)	25%
Net profit / (loss) for the period attributable to members	(5,821)	25%

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	2.75 cents	1.69 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 1.92 cents per share is an improvement over the prior year loss of 4.25 cents per share reflecting a lower absolute loss of $1.93 million and a 66% increase in weighted average number of shares on issue. During the year the company issued shares under 2 private placements, a share purchase plan including shortfall and as consideration for business combinations – full details are included in Note 19 of the Financial Statements.
Returns to shareholders including distributions and buy backs : Not applicable
Significant features of operating performance : Refer to the Directors' Report
The results of segments that are significant to an understanding of the business as a whole: Refer to Note 21 to the Accounts (Operating Segments)
Discussion of trends in performance : Refer to the Directors' Report
Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: Refer to the Directors' Report

Audit/Review Status

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

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

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

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Audited financial statements 30 June, 2013

Signed By (Director/Company Secretary)	
Print Name	Vernon Wills
Date	28 August 2013

Site Group International Limited

ABN 73 003 201 910

Annual report – 30 June 2013

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Annual General Meeting

The Annual General Meeting of the Company will be held at 10:00am on Friday, 8 November 2013 at the company's offices at level 4, 96 Albert Street, Brisbane QLD 4000.

Managing Director and CEO Letter

Dear Shareholders,

The 2013 financial year was a period when the business moved into operational mode through the 4 training facilities in Australia, Clark in the Philippines and the international placement business causing a substantial jump in reported revenues. Total revenue from operations was $12,960,549 (2012: $3,789,107) while operating loss was $5,821,405 (2012: loss of $7,750,684).

The increase in revenues over the prior year demonstrates the increased activity, however this still fell short of expectation predominantly due to a massive reduction in mining services related skilled workers being recruited nationally in Australia under 457 visas. Cancellations at the back end of June had a significant impact on the Site WorkReady performance and thus the overall Group result.

The slowdown in 457 style visas is likely to continue post the Australian federal election until the end of the calendar year. Thus the Site WorkReady team are focusing on projects where certain skills will not be able to be sourced exclusively within Australia. In addition deployments into other international locations are being targeted with notable success to date into Singapore and Mongolia as well as PNG. The ability to recruit, train and assess people prior to deployment is a significant benefit.

Training revenue and training customer growth continues at a pleasing rate. The scope and scale of our facilities have demonstrated our capability to meet the needs of industry and as a result we have developed a customer base where we can utilise other services to meet their needs. In many instances trials and pilots to prove our service model have been undertaken by major companies now resulting in increased orders. This is evidenced by the current revenue run rate.

Management are working towards an expansion of the service offering having identified areas of demand for existing and potential clients. This important next phase will enable Site to maximise its return on its existing facilities. Site will be making further announcements on expanded services in the coming months.

The success of our training delivery contract at Clark with the Shell operated Malampaya project is continuing to serve as a reference to other multi-national corporations looking for similar services. We have now successfully conducted training for a number of international clients at Clark including McDermotts, Granite International services, Clough AMEC, McConnell Dowell, OceanaGold and Orion Group. The agreement signed with the Ipatas Foundation provides for 120 Papuan New Guinea (PNG) Nationals to attend residential programs in camp services, welding & fabrication and heavy diesel in Clark. Management is confident this will lead to additional training for other nationals from various jurisdictions for long term sustainable employment.

I would like to thank my fellow directors for their support and guidance throughout the year. The role of a Director in an early stage growth company can be demanding and the current board's willingness to support and assist management is of great value to the group. Management and staff are focused and continue to work diligently on the delivery and expansion of the strategic business model. Finally I would like to thank all shareholders for their continued support and I look forward to advising of further expansion of services both nationally and internationally to leverage the very significant client base that Site services.

Vernon Wills
Managing Director and CEO

Review of Divisional Operations

Site Skills Training – Clark Freeport Zone

Revenue at the Clark facility was up 253% on prior year to $3,656,605 (2012: $1,037,131) for FY2013. Earnings before interest, tax, depreciation and amortisation (EBITDA) improved to a loss of $824,981 (2012: EBITDA loss of $2,600,922).

This is predominantly on the back of the Malampaya HSE training Contract awarded in June 2012 and commencing operations in September. In the 10 months of operation under the contract over 3,000 personnel have been trained in a range of safety related programs. Further pilot courses conducted in camp services and additional investment in weld testing capability has provided Clark the opportunity to continue the growth trajectory into FY14.

In addition, conducting course such as the training of 120 PNG nationals for the Ipatas foundation, which is expected to commence in the second quarter of FY14 further demonstrate the capability of the Clark campus and the benefits to our expanding customer base.

Clark also acts as the hub for our expanding international on-site training and assessment business with training being delivered in the Middle East, Azerbaijan, Singapore, Indonesia, PNG and China

Site Skills Training - Australia

The revenue of $7,557,502 for the Australian training and assessment business was an increase of 230% over the 30 June 2012 year result ($2,290,413). The EBITDA Loss of $699,942 (2012: EBITDA loss of $548,052) reflect the higher costs relative to the growing revenue during the ramp up stage of the 3 facilities opened during the year in Perth, Gladstone and Darwin.

Following completion of the AXIS Training Group on 1 July 2012, Site Skills Training currently has 4 major training facilities in Perth, Gladstone, Darwin and Landsborough. Demand in Perth and Darwin has led to additional investment in the facilities throughout FY13 including acquiring additional space and building of additional classrooms at each facility.

The Client list continues to grow and offer further opportunities to extend the domestic training business through expansion in the training offered. On-site training services continue to grow as Site demonstrates the flexibility required to meet industry needs.

Site WorkReady

Revenue for our international placement business Site WorkReady was up 37% $2,307,459 (2012: $1,679,463). However The EBITDA loss deteriorated to $342,043 (2012: EBITDA loss of $161,733).

This reflects a disappointing result following a strong first quarter for FY13 revenue of $1.4M. Site WorkReady business was impacted substantially by a massive reduction in mining services related skilled workers being recruited nationally under 457 visas.

Although the slowdown in 457 style visas is not expected to improve until the end of the calendar year, it is anticipated that the demand for specialist overseas skills will bounce back in the second half of the financial year, particularly on major projects in Darwin and WA. Deployments to other international locations are also a focus.

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	Craig Dawson
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 2013

Financial Report for the Year Ended 30 June 2013

Directors' Report

Your Directors submit herewith the financial report of Site Group International Limited for the year ended 30 June 2013.

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 57)

Vern Wills has had extensive involvement in the training & education sector and established one of Australia's largest private training providers, Careers Australia Group, which recently sold to UK fund managers White Cloud for circa AUD $115 million.

Vern established Site to provide skills training and workforce planning solutions by initially developing a 300,000m2 Philippines facility at the Expo Filipino site at Clark Freeport, after he identified a market gap in Australian training providers delivering international training for industry and major projects.

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

Nicasio Alcantara BA, MBA – Non-Executive Director (Age 70)

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

Mr Alcantara is currently a director of Alsons Corporation, Alsons Development & Investment Corporation, C. Alcantara & Sons Inc., Lima Land Inc., Sarangani Agricultural Co. Inc, Seafront Resources Corporation (appointed 1995), the Philodrill Corporation (appointed 1991), Indophil Resources NL (appointed 29/12/2011) and BDO Private Bank Inc.

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

Darryl Somerville BCom, FCA – Chairman and Non-Executive Director (Age 64)

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

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

Listed public company positions held include Chairman of the Brisbane Broncos Ltd (24/02/05 – 22/02/11), 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 has also chaired a number of Queensland State Government Panels. He was Chairman of the Report on the State's Electricity Networks (The Electricity Distribution and Service Delivery Report) and Chairman of the Queensland Government's Energy Competition Committee (which oversaw the introduction of Full Retail Contestability for energy in the State. He also served as Chairman of the Premier of Queensland's Awards for Export Achievement for 8 years.

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 48)

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 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 Non-Executive Director of Acer Energy Ltd until December 2012. Shaun is currently a Non-Executive Director of Dart Energy Limited (appointed 20/04/2010). He is Chairman of Titan Energy Services Ltd (appointed 27/10/2011) and AnaeCo Ltd (appointed 07/03/2011).

Company Secretary

Andrew Bursill – Company Secretary

Mr Bursill is a Chartered Accountant with more than 14 years' experience as a director and company secretary of numerous ASX listed, unlisted public and private companies, in a range of industries covering mineral exploration, oil and gas exploration, biotechnology, technology, medical devices, retail, venture capital and wine manufacture and distribution.

Mr Bursill was appointed as Company Secretary on 29 June 2010. In addition, Mr Bursill is currently a Director and Company Secretary of Argonaut Resources Limited, and Company Secretary of Aguia Resources Limited, Eagle Nickel Limited, Elk Petroleum Limited, Gladiator Resources Limited, MOKO.mobi Limited and Novogen Limited and several other unlisted public 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)
- Shaun Scott

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

Nomination and Remuneration Committee (NRC)

- Shaun Scott (c)
- Darryl Somerville

(c) Designates the chairman of the committee.

Directors' Report continued

Meetings of Committees

	Board No.	Attended No.	AC No.	Attended No.	NRC No.	Attended No.
Vernon Wills	10	10	2	2*	1	1**
Darryl Somerville	10	10	2	2	1	1
Shaun Scott	10	10	2	2	1	1
Nicasio Alcantara	10	8	-	-	-	-

* The CEO attended the Audit Committee as an invitee.

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

All directors were eligible to attend all meetings held.

Principal Activity

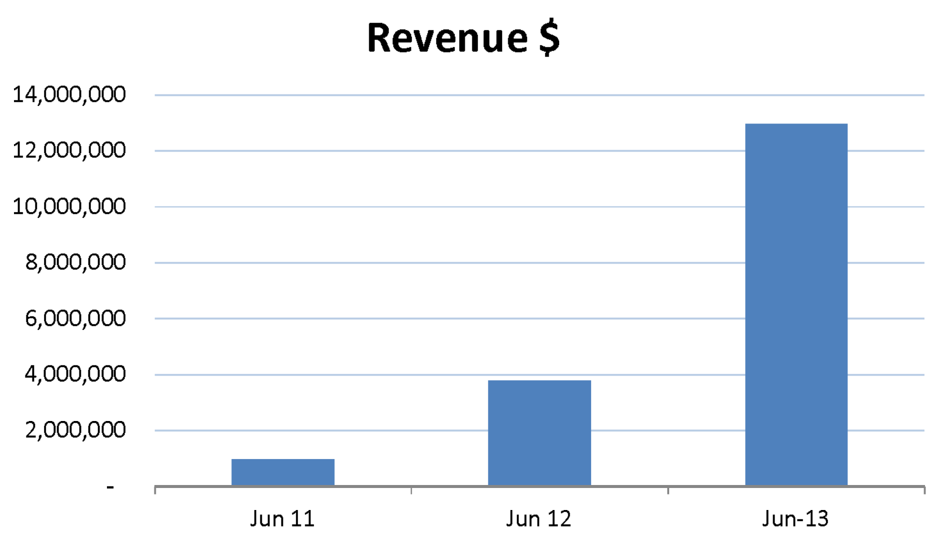
The principal activity of the company during the period was the provision of vocational education and assessment services through Site Skills Training business in Australia and the Philippines and recruitment services through Site WorkReady business in the Philippines. There has been no significant change in the principal activities of the consolidated entity during the period.

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 and Financial Review

Group

Total revenue from operations was $12,960,549 (2012: $3,789,107) a 242% increase over the prior comparative period. The revenue growth of the business over the previous 3 financial years reflecting the ramp up in operations of the business is illustrated in the following graph:

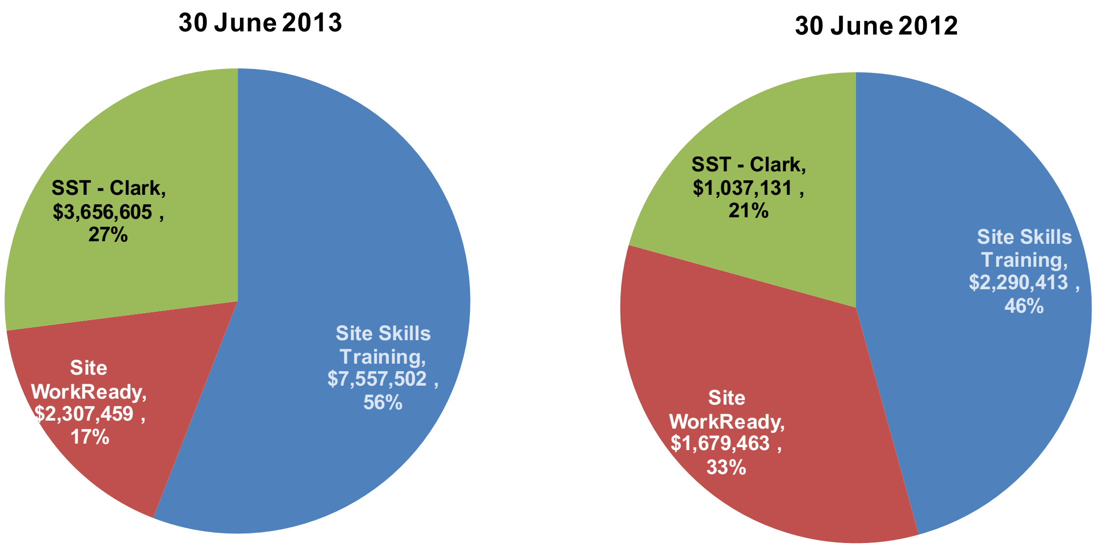


Graph 1 Reported Revenue – June 2011 to June 2013

Directors' Report continued

Operating and Financial Review continued

Revenue contribution and activity by each segment is illustrated in the two charts below. Of particular note is the strong growth in Site Skills Training reflecting the ramp up of the Australian domestic training business at the 4 facilities.



Graph 2 Gross Revenue by Segment June 2013 versus June 2012 (excludes eliminations)

	30 June 2013	2012	Change 13-12 %	30 June 2011	Change 12-11 %
Revenue	12,960,549	3,789,107	242.0%	984,180	285.0%
Net Loss	(5,821,405)	(7,750,684)	24.9%	(9,899,904)	21.7%
add back					
Depreciation and Amortisation	1,237,853	759,599	63.0%	445,273	70.6%
Interest Paid	87,175	64,172	35.8%	3,750	1,611.3%
deduct					
Interest Income	54,713	37,568	45.6%	45,196	(16.9%)
EBITDA*	(4,551,090)	(6,964,481)	34.7%	(9,496,077)	26.7%
Operating Cash Flow	(5,496,364)	(7,426,068)	26.0%	(5,534,133)	(34.2%)

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

Table 1 Financial Summary

For the year ended 30 June 2013, Site Group International Limited reported a loss after tax of $5,821,405 compared to a $7,750,684 loss in the previous corresponding period.

This result in part reflects the corporate investment into areas such as corporate systems, quality assurance and compliance, financial administration, additional scope registration and marketing services as we continue the ramp up of the business. The expenditure was incurred with an eye to the future. We also experienced a second half decline in our Site WorkReady business for reasons which are explained in detail below. Without this downturn Site WorkReady contribution to the results following a first quarter contribution of circa $1.4M was anticipated to be much greater.

Directors’ Report continued

Operating and Financial Review continued

Additionally several other factors had an impact on the result, these were:

- Seasonal reduction in revenue over the festive season - training days reduced by seven days
- Cost of implementing new capability - including redundancy for staff
- Costs associated with pre-agreed milestone performance bonuses as part of the Axis Training Group acquisition

It is encouraging to see that earnings before interest, taxes and depreciation and amortisation (EBITDA) loss has reduced by 35% to $4,551,090 versus the prior comparative period (2012 EBITDA loss: $6,964,481) and continues the annual improvement that was delivered at 30 June 2011.

This trading period has seen the inclusion of the Axis Training Group Pty Ltd business results in Perth and Darwin. The acquisition of this business expands the delivery of on-site training services in Australia and throughout Asia and the Middle East. This acquisition has been very successful with the addition of new business in both Western Australia and Internationally as well as the acquisition of an experienced vocational training and assessment team.

Site Skills Training

In the twelve months to 30 June 2013 Site Group continued the ramp up of training and assessment activity at the newly established facilities of Perth, Gladstone and Darwin while the Landsborough facility continued to perform in line with expectations. The build of activity at the Clark facility in the Philippines continued to gain momentum.

Overall the revenue of $7,557,502 for the training and assessment business excluding Clark was an increase of 230% over the 30 June 2012 revenue of $2,290,413. This rate of growth is expected to continue into the 2014 financial year.

Of the Australian locations Perth in particular showed strong growth with existing clients such as Laing O`Rourke, OMSA, Monadelphous, MacMahon, GE subsidiary Granite and a large number of other contractors. An additional notable achievement included successfully completing a tender process to become a preferred supplier of training for Rio Tinto. Western Australian on-site training services continued to expand with Site Trainers servicing projects such as Wheatstone, Cape Lambert and Solomon. Demand for services in Perth has led to additional investment in the facility at Belmont with the construction of a further 6 new classrooms taking the total number of available classrooms to 17.

Darwin built slowly for the first six months before the second half of the year benefited from the successful completion of preferred supplier audit and the award of a services contract for the Itchys Project in December. In addition, the agreement reached with Advanced Training International (ATI) launched in June 2013 is a significant development for Site as it enhances the capability and service offering of both businesses in the Northern Territory. Further investment in the Darwin office led to the takeover of additional space and the building of an additional 2 classrooms completed in June.

Landsborough showed a steady performance with an increase in onsite training in Southern Queensland.

The Gladstone facility improved in the second half of the financial year. While the business did not ramp up at the rate initially anticipated or that we have experienced in Perth and Clark, we remain confident that Gladstone activity will improve in 2014 year as the construction activity increases.

As detailed in our 2012 Annual Report, Site Skills Training in the Clark Freeport Zone in the Philippines now only caters for employer sponsored training – with all user pay training being completed during 2012. This change in focus is yielding results with revenue of $3,656,605 for the year to 30 June 2013. This represents an increase of 253% over the prior comparative period of $1,037,131.

Directors' Report continued

Operating and Financial Review continued

With the award of the Malampaya HSE training contract in June 2012 and the commencement of operations in September, the regional profile of Site Skills Training facility at Clark has increased substantially. In the 10 months since the training centre commenced operations almost 3,700 personnel have been trained in a range of safety related programs. Other customers throughout the year include the Compass PBU Group and a list of contractors such as Monadelphous, MacMahons, Leightons, Cape, AMEC, and others.

The Clark facility has also become the hub for our delivery of international on-site training and assessment with training being delivered in the Middle East, Azerbaijan, Singapore, Indonesia, PNG and China. We are building a strong reputation with our international clients and expect this part of our business to continue to expand through the FY14 financial year.

Site WorkReady

Revenue for our international placement business Site WorkReady was $2,307,459 for the year. This represents an increase of 37% over the year from 30 June 2012 ($1,679,463). This reflects a disappointing result following a first quarter of FY13 revenue achieved of $1.4M. Site WorkReady`s business was impacted substantially by a massive reduction in mining services related skilled workers being recruited nationally under 457 visas.

Cash Position

At 30 June 2013 the company had cash at bank of $1,465,584. Given the expected operating results in the FY14 financial year, contributions committed from the Chairman and CEO of $383,000 as part of the latest capital raising which requires approval by shareholders, benefit of lower security requirements on long term contracts of circa $200,000 and limited capital expenditure the company has sufficient funding to meet its medium term funding requirements. The company also has access to a $2 million unsecured loan facility with Wayburn Holdings Pty Ltd available until 31 August 2014.

Risks

Risk management is overseen by the Audit and Risk Committee for the group via the maintenance and review of a risk register. Significant risks which might impact Sites performance include sovereign and political risk associated with international operations and also licencing and compliance risk. The sovereign and political risk of the operation in the Philippines is managed via the use of a local law firm, high level roles populated with nationals and an open policy of transparency in dealing with government and locals. The licencing risk is monitored by an appropriately structured compliance department who regularly report against standards for continuing registration.

2014 Outlook

The board and management are confident the company will continue to grow broadly in line with previous indications provided to the market. We are continuing to look for new programs to deliver in line with our client's requirements and the needs of industry.

Supporting this is strong industry support across our locations as summarised below:

- **Perth**
  The Belmont facility in Perth continues strong revenue growth and support from industry. Recently it has successfully completed a preferred supplier audit with FMG to further support existing supplier agreements with BHP and Rio Tinto.

  The facility continues to provide training for the major customers such as Laing O'Rourke, Downers, MacMahon and many other contractors as well as on-site training with projects such as Wheatstone, BHP Nickel West and Cape Lambert.

- **Darwin**
  Site Skills Training - Darwin successfully completed a preferred supplier audit for the Itchys project. The agreement with ATI is the training manager for the INPEX funded Larrakia Trade Training Centre located in the industrial area of East Arm, Darwin. This gives Site the opportunity to continue its relationships with contractors like Laing O`Rourke and Leightons in a rapidly emerging market.

Directors' Report continued

Operating and Financial Review continued

- **Gladstone**
  Whilst Gladstone has been slow on the uptake we expect a stronger build in 2014 through the relationship with key clients and a stronger business development approach being adopted.

- **Landsborough**
  Landsborough continues a steady build and continues to focus on more traditional markets such as Local Government, local business and retail clients as workers look to up-skill. The restriction of only having a training centre north of Brisbane is being examined with the opportunity to expand the group's reach by opening a new facility in the southern suburbs of Brisbane being considered.

- **Clark**
  Clark continues its very impressive growth in both training and assessment. In addition to the Malampaya project (Shell, Chevron, PNOC Joint Venture) training activity has been conducted for Granite International Services (a wholly owned subsidiary of General Electric Company), Service Stream, AMEC staff working on the Conoco Phillips Bayu Undan Facility in the Timor Sea and Cape. There is also a continuation of services to existing customers such as Monadelphous, MacMahon and other Site WorkReady customers requiring high risk licence training and assessment pre-deployment.

  The Pilot program signed with Orion group and the Ipatas Foundation of PNG in June will lead to the delivery of vocational training to 120 selected PNG nationals from Enga province in Clark to commence in FY14 and run for 6 months. It is anticipated that this will lead to a rolling schedule of further candidates and training right throughout FY14.

  Clark is also acting as Site`s International hub for ongoing training in locations such as Indonesia, PNG, Singapore, China, UAE and Azerbaijan. Site expects this international representation to expand significantly in 2014.

  Some of the on-site international delivery underway includes:

  - McDermott Caspian - Azerbaijan
  - Kutubu Petroleum project – Papua New Guinea
  - PT Petrosea – Kalimantan, Indonesia
  - Dundee Marine Shipyard - Singapore
  - Qingdao McDermott Wuchuan - Offshore China

  Additionally the assessment training agreement with VU (Victoria University) commenced its first 20 assessments on 4 February and a number of new assessments are expected over 2014.

  Site has entered an MOU with Saskatchewan Institute of Applied Science and Technology (SIAST), Canada for the provision of assessment services for workforce deployment in Canada. The Canadian skilled employment program requires a substantial number of skills assessments for workers destined to fill the massive skilled worker shortage facing Canada. In a visit to our Clark facility by a high ranking official delegation from Canada it was agreed that Clark was currently the only facility available in the Asia Pacific region capable of providing quality, high level assessment services required by the Department of Citizenship and Immigration in Canada.

Directors' Report continued

Operating and Financial Review continued

- **Site WorkReady**
  Site WorkReady expects the slowdown in 457 style visas to continue post the Australian Federal election until the end of the calendar year. However it is anticipated that demand for specialist overseas skills will bounce back early in the second half of FY14, particularly on major LNG projects in Darwin and the NW shelf.

  In addition deployments into other locations are being targeted. This has been supported by some initial deployments into Singapore and Mongolia at the end of FY13. These do tend to be at lower margins meaning that volume of deployments become a larger focus. Orders have been received from Vietnam and Laos in the first quarter of the new financial year.

Directors' Shareholdings

Director	Shares	Options
Vernon Wills	78,676,732	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
  - In July 2012, Site successfully completed a Share Purchase Plan raising $971,000. In August 2012 the company placed a significant part of the shortfall of the take up of the Share Purchase Plan raising an additional $3.17 million. These placements were approved by shareholders at the company's Annual General Meeting held on 5 October 2012. The funds received due to these capital raising activities were used to fund the company's working capital and capital expenditure requirements.
  - In March 2013 it was announced that Site had entered into binding commitments to raise $3,750,000 via a placement of 27.778 million shares at 13.5 cents per share. As part of the raising the Chairman and CEO of the company committed to 2.836 million shares for $383,000 which requires shareholder approval at the next meeting. The remaining funds raised and shares issued, which were settled on 8 April, placed the company in a debt free position and provided additional capital to fund the increase in receivables as revenues grow.
  - In August 2013, the company renewed the unsecured loan facility agreement for $2 million with Wayburn Holdings Pty Ltd, a company related to Vernon Wills. Whilst the directors do not currently expect to utilise the facility, it is available to the company until 31 August 2014.
- Business Acquisitions
  - 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. The transaction was completed on 1 July 2012.
- 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 over 3,000 people. The first training course commenced in September 2012.
- In June 2013 the company entered into a training agreement with the Orion group and the Ipatas Foundation for a residential PNG program for 120 candidates at Clark. Training is anticipated to commence in late August 2013

Directors' Report continued

After Balance Date Event

On 2 August 2013 the Site group issued 3,000,000 sign on and bonus shares to employees in lieu of cash based remuneration and allowing management to participate in the growth of Site Group International Limited as shareholders.

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

Dividends Paid

There have been no dividends paid.

Environmental Issues

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

Share Options

As at the date of this report there were 2,015,000 unissued shares under options (1,000,000 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 exercise of options.

Indemnification and insurance of Directors and Officers

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

Indemnification of Auditors

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

Non-Audit Services

Non-audit services were provided by the entity's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standards of independence for 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 2013

Directors' Report continued

Remuneration Report (audited)

This remuneration report for the year ended 30 June 2013 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.

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

Nomination and Remuneration Committee
The directors established a Nomination and Remuneration Committee 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 Nomination and Remuneration committee comprises two independent NEDs.

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

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

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

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

Directors

The following persons were directors of Site Group 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

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
Craig Dawson	Chief Financial Officer	Appointed February 2013
Chris Gittens	Chief Commercial Officer	Appointed 1 July 2012
Blake Wills	Chief Operating Officer	Assumed position 1 July 2012
Paul Scaysbrook*	Chief Operating Officer	Resigned July 2012
Graham Yerbury*	Chief Financial Officer	Resigned February 2013

* These persons were also specified executives during the year ended 30 June 2012.

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

Remuneration Report (audited)

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.

Retirement benefits

Retirement benefits are delivered under a range of different superannuation funds. These funds provide accumulated benefits. Statutory amounts are contributed to defined contribution funds for all Directors and Executives with the exception of the Chairman whose Directors fees are contributed to his self-managed superannuation fund.

Executive contractual arrangements

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

Vernon Wills is employed as the Chief Executive Officer through a services contract with Wayburn Holdings Pty Limited on consistent terms with other executives.

Directors' Report continued

Remuneration Report (audited)

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

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

Details of remuneration

Details of the remuneration of each director of Site Group International Limited and each of the four specified executives of the consolidated entity, including their personally-related entities, are set out in the following tables. There is no performance related remuneration with the exception of Milestone shares issued to Chris Gittens. This represents 18.7% of his total remuneration.

Directors of Site Group International Limited

2013	Short Term Benefits			Post-employment	Long Term Benefits	Share-based Payments		
Name	Cash Salary $	Directors Fees $	Non-monetary benefits $	Super-annuation $	Long Service Leave $	Options $	Shares $	Total $
Vernon Wills	300,000	-	-	-	-	-	16,847	316,847
Nicasio Alcantara	-	60,000	-	-	-	-	8,423	68,423
Shaun Scott	-	62,692	-	5,642	-	-	8,423	76,757
Darryl Somerville	-	62,692	-	5,642	-	-	8,423	76,757
Total	300,000	185,384	-	11,284	-	-	42,116	538,784

2012	Short Term Benefits			Post-employment	Long Term Benefits	Share-based Payments		
Name	Cash Salary $	Directors Fees $	Non-monetary benefits $	Super-annuation $	Long Service Leave $	Options $	Shares[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 w ere issued on 15 June 2012 and no share based payment w as booked in the 2012 year.

Remuneration Report (audited) continued

Specified executives of the consolidated entity

2013	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
	$	$	$	$	$	$	$
Paul Scaysbrook[1]	-	-	-	-	-	(31,477)	(31,477)
Graham Yerbury[2]	167,816	-	14,944	-	-	15,358	198,118
Blake Wills[4]	104,305	-	9,387	-	-	5,152	118,844
Chris Gittens	150,000	-	13,500	-	-	37,683	201,183
Craig Dawson[3]	88,920	-	8,003	-	-	-	96,923
Total	511,041	-	45,834	-	-	26,716	583,591

[1] Resigned July 2012. No termination benefits were paid.
[2] Resigned February 2013. No termination benefits were paid.
[3] Commenced February 2013
[4] Commenced July 2012

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[7]	101,048	-	9,094	-	-	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[7]	133,333	-	-	-	-	-	133,333
Brett McPhee[7]	133,333	-	-	-	-	-	133,333
Paul Scaysbrook[6]	121,632	-	-	-	-	31,477	153,109
Graham Yerbury[6]	128,524	-	10,793	-	-	37,775	177,092
Total	862,534	-	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 January 2012
[7] Messrs McPhee, Rodgers, and Tahir ceased to be KMP on 1 July 2012

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.

Remuneration Report (audited) continued

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

The following table details the director and KMP participation:

Name	**Shares Issued***	**Share Issue Price**	**Total Value**	**Loan from Company**
Vern Wills	2,000,000	$0.20	400,000	400,000
Darryl Somerville	1,000,000	$0.20	200,000	200,000
Shaun Scott	1,000,000	$0.20	200,000	200,000
Nicasio Alcantara	1,000,000	$0.20	200,000	200,000
Paul Scaysbrook**	2,000,000	$0.20	400,000	400,000
Graham Yerbury**	2,000,000	$0.20	400,000	400,000
Blake Wills	250,000	$0.20	50,000	50,000

* 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.

**Shares not capable of coming out of escrow due to resignation by the employee

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

Sign on Benefits to Key Management Personnel

During the 2012 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 Volume Weighted Average Price (VWAP) immediately preceding the signing of the contract.

The issue value is amortised as a share based payment over the escrow period. 500,000 shares issued to Graham Yerbury were released from escrow in January 2013. The remaining shares are not capable of coming out of escrow due to the resignation of both employees.

Milestone Shares

During the year, Chris Gittens received 325,000 shares for no consideration escrowed upon the performance of integration activities in accordance with his contract of employment following the acquisition of Axis Training Pty Ltd. The expense is recognised based on achievement of the milestones.

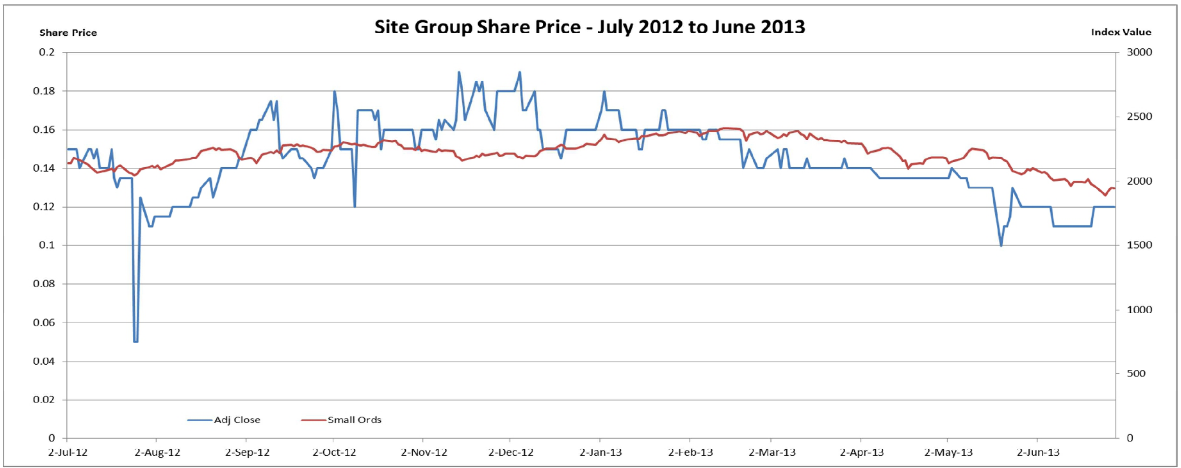
Remuneration Report (audited) continued

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.
Subsequent to year end, on 2 August 2013 a further issue of sign on and bonus shares were completed for which no expense is required to be recognised.

Executive Remuneration Outcomes for 2013

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 moved broadly in line with the index.



Revenue Growth
The following table details reported revenue for the past four years:

	2013	2012	2011	2010
Total Revenue	13,015,262	3,826,675	1,029,376	363,487
Growth %	240%	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:

	2013	2012	2011	2010
Total Loss	(5,821,405)	(7,750,684)	(9,899,904)	(3,404,460)
Change %	25%	22%	(191%)	-
EPS	(1.92)	(4.25)	(8.29)	(4.81)

The year on year improvement 2013 versus 2012 and 2011 reflects improved revenue from the rapid expansion of facilities. 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.

Corporate Governance Statement continued

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	9	2	82%	18%	11
All Other	44	41	52%	48%	85
Total	57	43	57%	43%	100

Corporate Governance Statement continued

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 2013 year is set out in the Directors' Report.

In 2013 and 2012 the committee comprised Mr Darryl Somerville 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 by the Chairman, Managing Director and Chief Financial Officer.

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 promotes effective communication with shareholders and encourage effective participation at general meetings by providing information to shareholders:

- Through the release of information to the market via the ASX
- Through the distribution of the Annual Report and notices of annual general meeting
- Through shareholder meetings and investor relation presentations
- Through letters and other communication directly to shareholders including quarterly reports
- By posting relevant information on Site Group International Limited's website: www.sitegroupinternational.com

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

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

Corporate Governance Statement continued

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.

The board has 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 2013, 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

Ric Roach
Partner
28 August 2013

Statement of Comprehensive Income

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $
Continuing operations			
Revenue	3	12,960,549	3,789,107
Interest Income - external		54,713	36,405
Interest Income - related parties		-	1,163
Total Revenue		13,015,262	3,826,675
Contractor expenses		(3,320,050)	(1,088,151)
Other direct training costs		(2,783,473)	(672,394)
Employee benefits expense	4	(5,344,125)	(3,764,134)
Depreciation and amortisation expense		(1,237,853)	(759,599)
Finance costs	4	(87,175)	(64,172)
Other expenses	4	(3,876,985)	(4,238,620)
Occupancy expenses		(2,195,312)	(1,038,736)
Foreign currency gain/(loss)		8,306	52,983
Loss before Tax		(5,821,405)	(7,746,148)
Income Tax benefit / (expense)	17	-	(4,536)
Loss for the period from continuing operations		(5,821,405)	(7,750,684)
Loss for the period		(5,821,405)	(7,750,684)
Other comprehensive income			
Items that may be reclassified subsequently to Profit or Loss			
Translation of foreign operations		(60,114)	242,293
Total other comprehensive income/(loss)		(60,114)	242,293
Total comprehensive income/(loss)		(5,881,519)	(7,508,391)
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	(1.92)	(4.25)

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

Statement of Financial Position

	Note	Consolidated Group 2013 $	2012 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,465,584	586,380
Trade and other receivables	9	2,973,819	1,399,514
Inventories	10	44,206	48,005
Intangible assets	13	162,450	223,917
Prepayments		64,836	14,528
Security deposits		520,296	-
Other financial assets	14	-	4,765
TOTAL CURRENT ASSETS		5,231,191	2,277,109
NON-CURRENT ASSETS			
Property, plant and equipment	12	6,896,687	6,202,196
Intangible assets	13	1,003,990	1,080,374
Prepayments		-	73,412
Security deposits		323,086	490,365
Other non-current financial assets	14	16,046	325
TOTAL NON-CURRENT ASSETS		8,239,809	7,846,672
TOTAL ASSETS		13,471,000	10,123,781
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	1,573,893	1,426,650
Interest bearing debt	16	4,953	2,017,193
Current tax liabilities	17	17,494	2,632
Provisions and other current financial liabilities	18	204,517	129,438
TOTAL CURRENT LIABILITIES		1,800,857	3,575,913
NON-CURRENT LIABILITIES			
Other provisions and other non-current liabilities	18	1,396,682	1,329,539
Interest bearing debt	16	19,364	24,317
TOTAL NON-CURRENT LIABILITIES		1,416,046	1,353,856
TOTAL LIABILITIES		3,216,903	4,929,769
NET ASSETS		10,254,097	5,194,012
EQUITY			
Issued capital	19	36,148,564	25,362,928
Reserves	27	1,225,072	1,129,218
Retained earnings/(losses)		(27,119,539)	(21,298,134)
TOTAL EQUITY		10,254,097	5,194,012

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

Statement of Changes in Equity

	Share Capital		Reserves		
	Ordinary	Retained Earnings / (losses)	Foreign Currency Translation Reserve	Option Reserve	Total
Consolidated Group	$	$	$	$	$
Balance at 1 July 2011	16,587,918	(13,547,450)	468,347	349,915	3,858,730
Comprehensive income					
Loss for the year		(7,750,684)			(7,750,684)
Other comprehensive income for the year			242,293		242,293
Total comprehensive income/(loss) for the year	-	(7,750,684)	242,293	-	(7,508,391)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year	8,950,118				8,950,118
Transaction costs	(677,108)				(677,108)
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
Loss for the year		(5,821,405)			(5,821,405)
Other comprehensive income for the year			(60,114)		(60,114)
Total comprehensive income/(loss) for the year	-	(5,821,405)	(60,114)	-	(5,881,519)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the year	11,293,393				11,293,393
Transaction costs	(507,757)				(507,757)
Shares to be issued	-				-
Share-based payments				155,968	155,968
Total transactions with owners and other transfers	10,785,636	-	-	155,968	10,941,604
Balance at 30 June 2013	36,148,564	(27,119,539)	650,526	574,546	10,254,097

Statement of Cash Flows

	Consolidated Group	
	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	11,519,678	2,561,421
Payments to suppliers and employees	(16,992,170)	(9,878,935)
Prepaid property lease rentals	-	(69,932)
Interest received	54,712	37,568
Finance costs	(78,543)	(66,784)
Income tax paid	-	(10,406)
Net cash provided by/(used in) operating activities	(5,496,323)	(7,427,068)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,568,041)	(1,289,998)
Purchase of intangible assets	(123,795)	-
Purchase of business	-	(1,000,000)
Cash backed performance bonds	(505,000)	(170,000)
Payment for subsidiary, net of cash acquired	47,292	-
Net cash provided by/(used in) investing activities	(2,149,544)	(2,459,998)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	10,450,767	4,702,580
Issue of convertible notes	-	4,029,738
Proceeds from borrowings	375,000	2,000,000
Repayment of borrowings	(1,773,044)	-
Transaction costs on shares	(507,757)	(677,108)
Net cash provided by/(used in) financing activities	8,544,966	10,055,210
Net increase(decrease) in cash held	899,099	168,144
Effect of exchange rates on cash holdings in foreign currencies	(19,854)	8,787
Cash and cash equivalents at beginning of financial year	586,380	409,449
Cash and cash equivalents at end of financial year	1,465,625	586,380

Notes to the Financial Statements for the Year Ended 30 June 2013

Note 1 Corporate Information

The consolidated financial report of Site Group International Limited (Site Group) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 28 August 2013.

Site Group International Limited (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.

For the year ended 30 June 2013 and going forward, the group has voluntarily changed the presentation of expenses in the Statement of Comprehensive Income. The group determined the further disclosure of the nature of the expenses provided more relevant information to the financial statement users. The adjustment is shown in the Statement of Comprehensive Income and the 2012 comparative amounts have also been adjusted to reflect the reclassification. The amount of the expenses recorded in each period has not changed. Only the presentation has changed. Contractor expenses of $1,088,151 were classified as employee benefits expense in 30 June 2012 Financial Report. Other direct training costs of $672,394 were classified as Cost of Services in 30 June 2012 Financial Report.

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.

Note 1a Summary of significant accounting policies continued

(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 a net loss of $5.8M and cash outflows from operating activities of $5.5M which were impacted by the ongoing start-up of operations both in Australia and the Philippines. The Company's current forecast of operational performance and capital expenditure requirements, indicate that this situation will continue into the second quarter of the 2014 financial year after which, cash receipts from training revenue are expected to match the cash outflows from operations and capital expenditure.

Successful expansion of the facilities in Perth and Darwin to meet demand and new programs commencing in Clark provide the platform for the company being self funded in the second half of the 2014 financial year. At 30 June 2013, the company had cash reserves of $1,465,584 and trade receivables of $2,220,556. The company has commitment to raise $383,000 from the Chairman and the Managing Director who participated in the share placement completed on 5 April 2013 but require shareholder approval at the Annual General Meeting before the shares are issued. In addition a lower level of cash backed performance guarantee for long term contracts is anticipated. On 26 August 2013, the company also renewed an unsecured loan facility agreement for $2million with Wayburn Holdings Pty Ltd. Whilst the directors do not currently expect to utilise and drawdown on this loan facility, it is available to the consolidated entity until 31 August 2014.

The directors believe that at the date of the signing of the financial statements there are reasonable grounds to believe that, having regards to the matters set out above the entity will meet it operational cash flow forecasts. However should this not be the case the company has the ability to draw upon the $2M facility discussed above. Further the directors expect the company to continue to have the support of its investors and raise sufficient funds (if needed) to meet the company's anticipated cash flow requirements so that it can meet its obligations as and when they fall due.

(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 2011-9 Amendments to Australian Accounting Standards -Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]

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 2013, outlined in the table below:

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. **Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.**	1 Jan 2013***	The group has determined that the adoption of this standard will have no material impact on the 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. **Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128.**	1 January 2013	The group has determined that the adoption of this standard will have no material impact on the financial statements.	1 July 2013
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 structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.	1 January 2013	The group has determined that the adoption of this standard will have no material impact on the financial statements.	1 July 2013
AASB 13	*Fair Value Measurement*	AASB 13 establishes a single source of guidance 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**	1 January 2013	The group has determined that the adoption of this standard will have no material impact on the financial statements.	1 July 2013

Reference	Title	Summary	Application date of standard*	Impact on Group Financial Report	Application date for Group*
		other standards via AASB 2011-8.			
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 recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. **Consequential amendments were also made to other standards via AASB 2011-10.**	1 January 2013	The group has determined that the adoption of this standard will have no material impact on the financial statements.	1 July 2013
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 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, when all the offsetting criteria of AASB 132 are not met.	1 January 2013	The group has determined that the adoption of this standard will have no material impact on the financial statements.	1 July 2013
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	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) ► 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 determined that the adoption of this standard will have no material impact on the financial statements.	1 July 2013
AASB 2012-9	Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	AASB 2012-9 amends AASB 1048 *Interpretation of Standards* to evidence the withdrawal of Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia.*	1 January 2013	The group has determined that the adoption of this standard will have no material impact on the financial statements.	1 July 2013
AASB 2011-4	Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure Requirements* [AASB 124]	This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 July 2013	The group has determined that the adoption of this standard will have no material impact on the financial statements.	1 July 2013
AASB 1053	*Application of Tiers of Australian Accounting Standards*	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements: (a) Tier 1: Australian Accounting Standards (b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements	1 July 2013	The group has determined that the adoption of this standard will have no material impact on the financial	1 July 2013

Reference	Title	Summary	Application date of standard*	Impact on Group Financial Report	Application date for Group*
		Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements. The following entities apply Tier 1 requirements in preparing general purpose financial statements: (a) For-profit entities in the private sector that have public accountability (as defined in this standard) (b) The Australian Government and State, Territory and Local governments The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements: (a) For-profit private sector entities that do not have public accountability (b) All not-for-profit private sector entities (c) Public sector entities other than the Australian Government and State, Territory and Local governments. **Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.**		statements.	
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 2014
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	1 Jan 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*
		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. **Further amendments were made by AASB 2012-6** which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. **Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.**			

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 International Limited 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.

Note 1a Summary of significant accounting policies continued

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 statement of comprehensive income is translated at the exchange rate prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position 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.

Note 1a Summary of significant accounting policies continued

(h) Financial instruments – initial recognition and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

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

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

Note 1a Summary of significant accounting policies continued

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

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 2013 and, 2012.

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

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

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

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

Note 1a Summary of significant accounting policies continued

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

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

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

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

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

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

Impairment of financial assets

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

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

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

Note 1a Summary of significant accounting policies continued

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

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 occurring after the impairment loss was recognised in the statement of comprehensive income, the impairment loss is reversed through the statement of comprehensive income.

Financial liabilities

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

Note 1a Summary of significant accounting policies continued

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

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

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.

Note 1a Summary of significant accounting policies continued

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

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.

Note 1a Summary of significant accounting policies continued

(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.

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

Note 1a Summary of significant accounting policies continued

(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 previous year Site Group acquires licence course material 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.

(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. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, the estimated future cash outflows. The company currently has no employees that meet the eligibility criteria.

Note 1a Summary of significant accounting policies continued

(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, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Note 1a Summary of significant accounting policies continued

(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 asset.

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

(r) Comparative figures

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

(s) Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

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

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

Note 1a Summary of significant accounting policies continued

Operating segments that meet the quantitative criteria as prescribed by AASB 8 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. The expense recognised by the Group is the total expense associated with all such awards.

Note 1a Summary of significant accounting policies continued

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 (2012: Nil). 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.

Note 1c Business Combinations and acquisitions

On 1 July, 2012, the Group acquired 100% of the shares in Axis Training Group Pty Ltd (Axis) a business that provides training and assessment services in Western Australia, Northern Territory and throughout Asia and the Middle East. The acquisition has been accounted for using the acquisition method.

The fair value of the identifiable assets and liabilities of Axis Training Group Pty Ltd as at the date of acquisition was:

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

	Fair value recognised on acquisition
	$
Assets	
Cash	47,292
Debtors	108,191
Property, plant and equipment	1,545
	153,028
Liabilities	
Client deposits	1,725
Accruals and accounts payable	105,712
	107,437
Fair value of identifiable net assets	45,591
Goodwill arising from acquisition	197,035
Purchase consideration	242,626
Acquisition date fair value of purchase consideration transferred:	
Shares in Site Group International Limited, at fair value	242,626
Cash paid	-
Total consideration	**242,626**
Net cash acquired with the subsidiary	47,292
Cash paid	-
Net cash inflow	**47,292**

The goodwill recognised on the acquisition of Axis is attributed to the expected benefits of combining its Western Australian assets and activities with Site's existing training and assessment business in Perth; its established access to the Darwin market and the addition of its established international training business to Clark. None of the recognised goodwill is expected to be deductible for income tax purposes.

From the date of acquisition (1 July, 2012), Axis Training Group Pty Ltd has contributed $561,920 of revenue and $251,103 of net profit before tax to the Group.

Transaction costs associated with the acquisition of Axis of $18,339 have been expensed and are included in other expenses in the statement of comprehensive income and are part of operating cash flows in the statement of cash flows.

Acquisitions in 2012

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

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.

	2013 $	2012 $
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	20,415,714	12,378,570
Non-current assets	313,970	428,366
TOTAL ASSETS	20,729,684	12,806,936
LIABILITIES		
Current liabilities	385,491	262,129
TOTAL LIABILITIES	385,491	262,129
NET ASSETS	20,344,193	12,544,807
EQUITY		
Issued capital	25,675,842	14,890,208
Retained earnings/(losses)	(5,906,195)	(2,763,979)
Share option reserve	574,546	418,578
TOTAL EQUITY	20,344,193	12,544,807
STATEMENT OF COMPREHENSIVE INCOME		
Total profit/(loss) of the parent entity	(3,142,150)	(933,139)
Total comprehensive loss of the parent	(3,142,150)	(933,139)

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

Note 3 Revenue and Other Income

	Note	Consolidated Group 2013	2012
Revenue from continuing operations		$	$
Revenue			
Student Payments		10,400,321	1,869,034
Placement Services		2,107,759	1,679,463
Sale of goods		-	1,560
Government subsidies received	3(a)	357,870	153,444
Other revenue		94,599	85,606
		12,960,549	3,789,107

	2013	2012
Interest revenue from:		
— directors	-	1,163
— other persons	54,713	36,405
Total interest revenue on financial assets not at fair value through profit or loss	54,713	37,568

(a) In June 2013 the company received an Export Market Development Grant of $99,604 (2012:150,000) 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 2013	2012
Employee benefits expense		$	$
Wages and salaries		4,613,664	3,559,948
Superannuation expense		402,132	105,089
Payroll tax and workers compensation		23,424	11,021
Annual and long service leave		61,906	19,413
Other employment expenses		87,031	-
Share-based payment expense		155,968	68,663
		5,344,125	3,764,134
Other expenses			
Legal, accounting and other professional fees		395,903	646,204
Travel & accommodation		770,186	759,963
Marketing expense		390,725	372,070
Consultants cost		1,361,802	894,185
Other		958,369	1,566,198
		3,876,985	4,238,620
Finance costs			
Interest expense - third parties		8,077	28,654
Interest expense - related parties (Wayburn Holdings)		70,466	12,240
Facilities fee		8,632	23,278
		87,175	64,172

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 2013.
The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group 2013	2012
	$	$
Short-term employee benefits	996,426	1,360,035
Post-employment benefits	57,118	43,775
Other long term benefits	-	-
Share-based payments	68,833	41,250
	1,122,377	1,445,060

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 2012	Granted as remuneration	Options Exercised	Net Other Change[1]	Balance 30 June 2013	Total	Exercisable	Not exercisable
Vernon Wills	500,000	-	-	-	500,000	500,000	500,000	-
Nicasio Alcantara	500,000	-	-	-	500,000	500,000	500,000	-
	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-

	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 Alcantara	500,000	-	-	-	500,000	500,000	500,000	-
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

Options outstanding are exercisable at 0.25 per share and expire in 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 2012	Granted as remuneration	Shares Sold	Net Other Change[1]	Balance 30 June 2013	Total	Tradeable	Escrowed
Vernon Wills	2,000,000	-	-	-	2,000,000	2,000,000	-	2,000,000
Nicasio Alcantara	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
Blake Wills	250,000	-	-	-	250,000	250,000	-	250,000
Paul Scaysbrook	2,000,000	-	-	(2,000,000)	-	-	-	-
Graham Yerbury	2,000,000	-	-	(2,000,000)	-	-	-	-
	9,250,000	-	-	(4,000,000)	5,250,000	5,250,000	-	5,250,000

[1] Shares to be cancelled following resignation of employee prior to the date of release from escrow.

	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 Alcantara	-	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.

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

Note 6 Auditors' Remuneration

	Note	Consolidated Group 2013	2012
		$	$
Remuneration of the auditor of the parent entity for:			
— auditing or reviewing the financial report		109,278	81,000
— taxation services		23,398	28,870
— due diligence services		-	41,200
— taxation services provided by related practice of auditor			
		132,676	151,070
Remuneration of other auditors of subsidiaries for:			
— auditing or reviewing the financial statements of subsidiaries		30,447	34,045

Note 7 Earnings per Share

	Consolidated Group 2013	2012
	$	$
a) Earnings used in calculating earnings per share		
For basic and diluted earnings per share:		
Net profit/(loss) from continuing operations attributable to ordinary equity holders of the parent	(5,821,405)	(7,750,684)
Net profit/(loss) attributable to ordinary equity holders of the parent	(5,821,405)	(7,750,684)
b) Weighted average number of shares	No.	No.
Weighted average number of ordinary shares for basic and diluted earnings per share	303,009,777	182,250,889
c) Earnings (loss) cents per share	(1.92)	(4.25)

There are 5,675,000 options on issue at 30 June 2013 (5,675,000 at 30 June 2012).
The options are anti dilutive due to the company making operating losses.

Note 8 Cash and Cash Equivalents

	Note	Consolidated Group 2013	2012
		$	$
Cash at bank and in hand		1,465,584	586,380
	22	1,465,584	586,380

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

	2013	2012
	1,465,584	586,380
	1,465,584	586,380

Note 9 Trade and Other Receivables

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $
CURRENT			
Trade receivables		2,378,248	1,349,936
Provision for impairment	9(a)	(157,692)	(74,048)
		2,220,556	1,275,888
Other receivables		753,263	123,626
Total current trade and other receivables		2,973,819	1,399,514

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 have been included in the other expenses item.

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

	Consolidated Group 2013 $	Consolidated Group 2012 $
Opening Balance	74,048	-
Charge for the year	83,644	74,048
Amounts written off	-	-
Closing Balance	157,692	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 2013						
Trade receivables	2,378,248	1,062,194	369,430	125,222	663,710	157,692
Other receivables	753,263	200,062	525,641	7,990	19,570	-
Total	3,131,511	1,262,256	895,071	133,212	683,280	157,692
As at 30 June 2012						
Trade receivables	1,349,936	630,687	250,020	74,057	321,124	74,048
Other receivables	123,626	100,047	23,579	-	-	-
Total	1,473,562	730,734	273,599	74,057	321,124	74,048

*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.

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

Note 10 Inventory

	Note	Consolidated Group 2013 $	2012 $
CURRENT			
Finished goods at cost		44,206	48,005
Total inventories at the lower of cost and net realisable value		44,206	48,005

Note 11 Controlled Entities

a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)* 2013	2012
Subsidiaries of Site Group International Limited:			
Site Group Holdings Pty Ltd	Australia	100%	100%
Site Education Australia Pty Ltd	Australia	100%	100%
Site WorkReady Pty Ltd	Australia	100%	100%
Site Labourhire Pty Ltd	Australia	100%	100%
Site Skills Group Pty Ltd	Australia	100%	100%
Site Skills Academy Pty Ltd	Australia	100%	100%
Site WorkReady (Philippines) Pty Ltd	Australia	100%	100%
Axis Training Group Pty Ltd	Australia	100%	-

* Percentage of voting power is in proportion to ownership

Note 12 Property, Plant and Equipment

	Note	Consolidated Group 2013 $	2012 $
PLANT AND EQUIPMENT			
Leasehold Improvements			
At Cost		5,700,454	4,316,313
(Accumulated depreciation)		(564,977)	(363,255)
Net carrying amount - leasehold improvements		5,135,477	3,953,058
Capital works in Progress			
At Cost		33,658	497,173
Computers			
At cost		353,655	244,560
(Accumulated depreciation)		(209,553)	(120,650)
Net carrying amount - computers		144,102	123,910
Furniture and fittings			
At cost		2,475,487	2,213,167
(Accumulated depreciation)		(1,087,510)	(725,885)
Net carrying amount - furniture and fittings		1,387,977	1,487,282
Vehicles			
At cost		336,115	211,810
(Accumulated depreciation)		(140,642)	(71,037)
Net carrying amount - vehicles		195,473	140,773
Total property, plant and equipment		6,896,687	6,202,196

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

Note 12 Property, Plant and Equipment continued

a) Movements in Carrying Amounts

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

	Leasehold Improvements	Capital Works in Progress	Computers	Furniture & Fittings	Vehicles	Total
	$	$	$	$	$	$
Consolidated Group:						
Balance at 30 June 2011	3,830,696	-	96,440	761,058	122,434	4,810,628
Additions	32,382	497,173	90,841	942,117	47,529	1,610,042
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
Additions	896,867	33,658	109,095	375,466	1,260	1,416,346
Transfers - in (out)	487,273	(497,173)	-	(113,145)	123,045	-
Disposals	-	-	-	-	-	-
Depreciation expense	(217,738)	-	(95,961)	(390,341)	(75,132)	(779,172)
Exchange rate differences	16,017	-	7,058	28,715	5,527	57,317
Balance at 30 June 2013	5,135,477	33,658	144,102	1,387,977	195,473	6,896,687

Note 13 Intangible Assets

	Note	Consolidated Group 2013	2012
		$	$
(i) Current			
Pre-paid Service and Employment Services			
Cost		162,450	223,917
Total Current Intangible Assets		162,450	223,917
(ii) Non-Current			
Goodwill			
Cost		197,035	-
Accumulated impaired losses		-	-
Net carrying value		197,035	-
Training Licences and Course Material			
Cost		873,751	749,956
Accumulated Amortisation		(283,396)	(83,089)
Net Carrying Value		590,355	666,867
Pre-paid Service and Employment Services			
Cost		487,350	521,807
Accumulated Amortisation		(270,750)	(108,300)
Net Carrying Value		216,600	413,507
Total Non-current Intangible Assets		1,003,990	1,080,374
Total Intangible Assets		1,166,440	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 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
Additions	197,035	123,795	-	320,830
Impairments	-	-	-	-
Amortisation expense	-	(200,307)	(258,374)	(458,681)
Exchange rate differences	-	-	-	-
Balance at 30 June 2013	197,035	590,355	379,050	1,166,440

b) Impairment

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

The recoverable amount of goodwill is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of future cash flow projections over a 5 year period including a terminal value calculation where applicable. The growth rate used in the value in use calculation was 10% and the discount rate was 12%. The value in use calculations have been based on budgets for each reporting segment. The balance of goodwill is allocated to the Site Skills Training Cash Generating Unit. The terminal growth rate applied is 0% and there is no reasonably possible change in key assumptions which would result in the carrying amount of goodwill exceeding its recoverable amount.

Note 14 Other Financial Assets

	Note	Consolidated Group 2013	Consolidated Group 2012
		$	$
CURRENT FINANCIAL ASSETS			
Supplier Advances		-	4,330
Other		-	435
		-	4,765
NON-CURRENT FINANCIAL ASSETS			
Investments - unlisted		16,046	-
Other non-current assets		-	325
		16,046	325

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

Note 15 Trade and Other Payables

	Note	Consolidated Group 2013 $	2012 $
Unsecured liabilities			
Trade payables		884,431	717,547
Amounts payable to:			
— Employee related payables		179,338	134,534
— Unearned income		195,203	284,240
— Accruals		272,573	259,730
— Other Payables		42,348	30,599
Total trade and other payables		1,573,893	1,426,650

(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 2013 $	2012 $
Finance Lease Liability due within 12 months		4,953	4,953
Unsecured Loan		-	2,012,240
		4,953	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 was unsecured and repayable in 12 months. Interest at the rate of 7.5% per annum was calculated monthly on daily balance outstanding. Interest charged on the facility in the 2013 financial year was $70,466 (2012: 12,240). On 26 August 2013, this facility was renewed on the same terms until 31 August 2014.

(ii) Non-current Financial Liabilities

	Consolidated Group 2013 $	2012 $
Finance Lease Liability	19,364	24,317
	19,364	24,317

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

Note 17 Taxation

	Note	Consolidated Group 2013 $	2012 $
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
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

	Note	Consolidated Group 2013 $	2012 $
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		(5,821,405)	(7,746,148)
At the parents entity's statutory income tax rate of 30% (2012 - 30%)		(1,746,422)	(2,323,844)
Deferred tax asset not recognised		1,746,422	2,323,844
Other		-	4,536
		-	4,536
Aggregate income tax expense attributed to: Continuing operations		-	(4,536)
		-	(4,536)
The applicable weighted average effective tax rates are:		-	-

	Note	Consolidated Group 2013 $	2012 $
c) Tax liabilities			
CURRENT			
Income tax payable		17,494	2,632
TOTAL		17,494	2,632
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 $7.0 million (2012: $5.3 million) in relation to tax losses due to the uncertainty of timing for the offset of these losses against future profits.

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

Note 18 Provisions

	Note	Consolidated Group 2013 $	2012 $
CURRENT			
Employee - Annual Leave		191,345	129,438
Other		13,172	-
Balance at 30 June		204,517	129,438

(a) Movement in provisions

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

	13th Month Pay provision	Total
At 1 July 2012	-	-
Arising during the year	13,172	13,172
Utilised	-	-
At 30 June 2013	13,172	13,172

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

	Note	Consolidated Group 2013 $	2012 $
NON CURRENT			
Provision for pension liability	18(b)	19,913	-
Provision for Lease Rental Incentive	18(d)	1,376,769	1,329,539
		1,396,682	1,329,539

(b) Movement in provisions

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

	Lease Rental	Pension Liability	Total
At 1 July 2012	1,329,539	-	1,329,539
Arising during the year	215,152	19,913	235,065
Utilised/Provision Released	(167,922)	-	(167,922)
At 30 June 2013	1,376,769	19,913	1,396,682

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

Note 18 Provisions continued

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

Current	204,517	129,438
Non-current	1,396,682	1,329,539
	1,601,199	1,458,977

(d) Lease Rental Incentive

The lease of the Clark Facility included a three year rent free period which concluded 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 2013 $	2012 $
330,700,034 fully paid ordinary shares (2012: 229,563,482)		37,852,532	26,559,139
Cost of Capital Raising		(1,703,968)	(1,196,211)
		36,148,564	25,362,928

(a) Ordinary Shares

	No. Shares	$
At 1 July 2011	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
Share issue - 4 July 2012	32,908,270	3,446,992
Share issue - 4 July 2012	5,750,000	-
Share issue - 31 July 2012	8,091,681	971,002
Share issue - 27 September 2012	1,343,101	220,000
Share issue - 27 September 2012	750,000	-
Share issue - 5 October 2012	27,213,450	3,265,614
Share issue - 6 November 2012	138,130	22,626
Share issue - 5 April 2013	24,941,920	3,367,159
Transaction costs relating to capital raising	-	507,757
30 June 2013 share capital	330,700,034	36,148,564

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

Note 19 Issued Capital continued

- 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.
- On 4 July 2012 the company completed the issue of 32,908,270 shares under a private placement of shares at $0.12 per share in addition 5,750,000 shares were issued to Directors and certain contractors under terms similar to the Employee Share Plan
- On 31 July 2012 the company completed the issue of 8,091,681 shares under a Share Purchase Plan with an issue price of $0.12 cents per share
- On 27 September 2012 under the terms of the acquisition agreement for Axis Training Group Pty Ltd, the company issued 1,343,101 shares to the vendor shareholder at the issue price of $0.1638 per share in addition 750,000 shares were issued at nil consideration and escrowed for certain employees of Axis to be awarded on the completion of milestone performance requirements
- On the 5 October 2012, following approval of shareholders at the Annual General Meeting, the company issued 27,213,450 shares (being a significant portion of the SPP issue shortfall) at a price of $0.12 per share
- On 6 November 2012 in accordance with the agreement for the acquisition of Axis Training Group Pty Ltd the company issued the vendor shareholder an additional 138,130 shares at an issue price of $0.1638 per share representing the value of the improved working capital position over the agreed balance sheet position specified in the contract
- On 5 April 2013 the company issued 24,941,920 shares under a private placement at $0.135 per share.

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 2013, 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 2013 $	2012 $
(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		1,181,346	1,223,596
between 12 months and 5 years		3,647,554	4,334,700
greater than 5 years		8,071,930	8,566,129
		12,900,830	14,124,425

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:

	2013		2012	
	$	$	$	$
	Minimum Payments	Present Value of Payments	Minimum Payments	Present Value of Payments
Payable — lease payments				
not later than 12 months	7,699	6,461	7,699	6,429
between 12 months and 5 years	21,965	18,754	29,664	24,773
greater than 5 years	-	-	-	-
	29,664	25,215	37,363	31,202

Note 21 Operating Segments

For management purposes Site Group International Limited has organised its business into three separate units based on the products and services offered – the Directors and Executive Management of the company review the results on this basis. This financial report is the first time that business unit results have been included. The previous disclosure, which will continue, was geographic given the Group's substantial investment in both Australia and the Philippines - reporting to the Board is also aligned to geographic location.

The three reportable business segments of the Group are:

- **Site Skills Training** which delivers vocational training and assessment services through four training facilities located at Perth, Gladstone, Darwin and Landsborough. At these locations our experienced team assesses, up-skills and trains industry experienced candidates in the mining and processing, oil and gas, construction, camp services, hospitality and logistic sectors.
  Site WorkReady delivers "ready to work" international employees through an end to end service utilising the training and assessment facility at Clark Freeport Zone. Working closely with their clients the Site WorkReady team identify workers, complete assessment services and develop appropriate training. Employment candidates receive instruction in English, workplace health and safety systems as well as employer orientation training to support their transition to employment.
  Site Skills Training - Clark Freeport Zone (CFZ) operates a 300,000m^2 facility at Clark Freeport Zone in the Philippines allowing the company to deliver Australian standard training in a low cost and controlled environment. This facility has the capacity to complete large scale residential training programs customised to meet client specific requirements.

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

Note 21 Operating Segments continued

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

Year ended 30 June 2013

	Site Skills Training	Site WorkReady	Site Skills Training CFZ	Total Segments	Corporate and Eliminations	Total
	$	$	$	$	$	$
Revenue						
Sales revenue - External customer	7,557,502	2,307,459	2,995,984	12,860,945	99,604	12,960,549
Sales revenue - Inter-segment	-	-	660,622	660,622	(660,622)	-
Total segment revenue	7,557,502	2,307,459	3,656,605	13,521,567	(561,018)	12,960,549
Segment net operating profit/ (loss) after tax	(1,179,479)	(342,315)	(1,350,879)	(2,872,673)	(2,948,732)	(5,821,405)
Interest revenue	782	-	4,001	4,783	49,930	54,713
Interest expense	(3,026)	(6)	(5,598)	(8,630)	(78,545)	(87,175)
Depreciation	(477,344)	(266)	(524,300)	(1,001,910)	(235,943)	(1,237,853)
Income tax expense	-	-	-	-	-	-
Segment assets	4,095,621	469,229	6,447,774	11,012,624	2,458,376	13,471,000
Segment liabilities	885,229	115,107	1,975,922	2,976,258	240,645	3,216,903
Capital expenditure	721,399	2,826	692,121	1,416,346	-	1,416,346

Year ended 30 June 2012

	Site Skills Training	Site WorkReady	Site Skills Training CFZ	Total Segments	Corporate and Eliminations	Total
	$	$	$	$	$	$
Revenue						
Sales revenue - External customer	1,630,674	1,679,463	338,302	3,648,439	140,668	3,789,107
Sales revenue - Inter-segment	659,739	-	698,829	1,358,568	(1,358,568)	-
Total segment revenue	2,290,413	1,679,463	1,037,131	5,007,007	(1,217,900)	3,789,107
Segment net operating profit/ (loss) after tax	(716,936)	(161,733)	(3,061,097)	(3,939,767)	(3,810,918)	(7,750,684)
Interest revenue	862	-	4,686	5,548	32,020	37,568
Interest expense	(573)	-	(105)	(678)	(63,494)	(64,172)
Depreciation	(169,173)	-	(469,291)	(638,464)	(121,135)	(759,599)
Income tax expense	-	-	4,536	4,536	-	4,536
Segment assets	2,285,186	922,373	5,461,708	8,669,267	1,454,514	10,123,781
Segment liabilities	381,817	546,493	1,699,343	2,627,653	2,302,116	4,929,769
Capital expenditure	1,236,321	-	373,721	1,610,042	-	1,610,042

Note 21 Operating Segments continued

	Consolidated Group 2013 $	2012 $
Reconciliation of loss		
Segment loss	(2,872,673)	(3,939,767)
Head office occupancy costs	(205,833)	(118,799)
Corporate employee benefits including Directors	(1,407,681)	(1,649,667)
Legal accounting and other professional fees	(280,600)	(471,925)
Travel costs	(249,981)	(390,526)
Other corporate costs	(804,637)	(1,180,000)
Group Loss	(5,821,405)	(7,750,684)
Reconciliation of assets		
Segment operating assets	11,012,624	8,669,267
Cash at bank	1,159,667	473,931
Security deposits	695,482	170,000
Intangibles	576,086	637,424
Other assets	27,141	173,159
Group operating assets	13,471,000	10,123,781
Reconciliation of liabilities		
Segment operating liabilities	2,976,258	2,627,653
Interest bearing debt	-	2,012,240
Other liabilities	240,645	289,876
Group operating liabilities	3,216,903	4,929,769

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

Year ended 30 June 2013

	Australia $	Philippines $	Eliminations $	Total $
Revenue				
Sales revenue - External	9,964,565	2,995,984	-	12,960,549
Sales revenue - Inter segment	-	660,622	(660,622)	-
Total segment revenue	9,964,565	3,656,606	(660,622)	12,960,549
Segment net operating profit/ (loss) after tax	(4,470,526)	(1,350,879)	-	(5,821,405)
Non-current assets	2,789,609	5,111,068	-	7,900,677

Year ended 30 June 2012

	Australia $	Philippines $	Eliminations $	Total $
Revenue				
Sales revenue - External	3,445,141	343,966	-	3,789,107
Sales revenue - Inter segment	659,739	698,829	(1,358,568)	-
Total segment revenue	4,104,880	1,042,795	(1,358,568)	3,789,107
Segment net operating profit/ (loss) after tax	(4,650,497)	(3,100,187)	-	(7,750,684)
Non-current assets	2,348,581	4,933,990	-	7,282,571

Non –current assets for this purpose consists of property, plant and equipment and intangible assets.

Note 22 Cash Flow Information

	Note	Consolidated Group 2013 $	2012 $
Reconciliation of net profit/(loss) after tax to net cash flows from operations			
Profit (Loss) after income tax expense		(5,821,405)	(7,750,684)
Non cash items			
Depreciation of property, plant and equipment		1,237,853	759,599
Foreign exchange (gain)/ loss		(8,306)	(52,983)
Movement in provision for employee entitlements		75,079	3,564
Share based payments expense		155,968	68,663
Provision for doubtful debts		83,023	0
Net (profit)/loss on sale of PPE		-	-
		(4,277,788)	(6,971,841)
Change in assets and liabilities			
(Increase)/Decrease in receivables		(1,548,308)	(1,227,686)
(Increase)/Decrease in inventory		3,799	51,510
Increase/(Decrease) in payables and accruals		147,243	805,610
Increase/(Decrease) in provisions		67,144	0
Other Working Capital Movements		111,546	(84,661)
Net cash from operating activities		(5,496,364)	(7,427,068)

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 2013 $	2012 $
Share options expense			
Expense/(write back) arising from equity-settled share-based payments		(44,068)	(28,317)
Employee services			
Expense arising from the amortisation of employee sign on shares		37,744	72,751
Expense arising form the amortisation of employee milestone shares		87,883	-
Expense arising from the amortisation of the Employee Share Plan		74,409	24,229
Total expense arising from share based payment transactions		155,968	68,663

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) Share Option Plan (SOP)

A number of options issued under the SOP were forfeited or cancelled during the previous financial year - there were no employee options outstanding at 30 June 2013 other than held by Directors Vernon Wills and Nic Alcantara as set out in the Directors Report. All options expire on 26 November 2013.

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

	Consolidated Group		
	Number		Weighted Average Exercise price
Options outstanding 30 June 2011	**8,115,000**	**$**	**0.24**
Forfeited	(2,440,000)	$	0.24
Exercised	-		
Expired	-		
Options outstanding 30 June 2012	5,675,000	$	0.25
Options outstanding 30 June 2013	5,675,000	$	0.25

Note 24 Events after the Reporting Period

On 2 August 2013 the Site group issued 3,000,000 sign on and bonus shares to employees in lieu of cash based remuneration and allowing management to participate in the growth of Site Group International Limited as shareholders.

Other than as disclosed above, the directors are not aware of any other significant events since the end of the reporting period.

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	Consolidated Group 2013 $	2012 $
Transactions with related parties:			
Subsidiaries			
Management Fees			
Site Education Australia Pty Ltd - Management Fee		-	(659,739)
Site Group Holdings Pty Ltd - Management Fee		-	659,739
Tuition Fees			
Site Group Holdings Pty Ltd - Tuition Fees		(620,535)	(698,829)
Site WorkReady Pty Ltd - Tuition Fees Paid		620,535	698,829
Key Management Personnel			
Interest revenue			
Interest received from directors		-	1,163
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		-	-
Rent Paid			
Rent paid to associate of key management personal		44,313	48,897

The company leases a house from PMS Business Services, a company associated with Paul Scaysbrook to provide temporary accommodation to contract trainers and staff when they are required to conduct courses in Gladstone. Rent is paid on normal commercial terms.

Note 25 Related Party Transactions continued

(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.

	Note	Consolidated Group 2013 $	2012 $
Loans to Key Management Personnel			
Beginning of the year		-	42,167
Loans advanced		-	-
Loan repayment received		-	(43,330)
Interest not charged		-	-
Interest charged		-	1,163
Interest received		-	-
End of the year		-	-
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

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

Name	Shares Issued*	Share Issue Price	Total Value	Loan from Company
Vern Wills	2,000,000	$0.20	400,000	400,000
Darryl Somerville	1,000,000	$0.20	200,000	200,000
Shaun Scott	1,000,000	$0.20	200,000	200,000
Nicasio Alcantara	1,000,000	$0.20	200,000	200,000
Paul Scaysbrook**	2,000,000	$0.20	400,000	400,000
Graham Yerbury**	2,000,000	$0.20	400,000	400,000
Blake Wills	250,000	$0.20	50,000	50,000

(d) Loans from related parties:

	Note	Consolidated Group 2013 $	2012 $
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 was for a 12 month term and was repaid by the company prior to 30 June 2013. Interest charged on the loan was $70,466 to 30 June 2013 (2012: $12,240). On 26 August 2013, the company renewed this facility with Wayburn Holdings Pty Ltd on the same terms for a 12 month terms to 31 August 2014.

Notes to the Financial Statements for the Year Ended 30 June 2013 continued

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 2013 $	Consolidated Group 2012 $
Financial assets			
Cash and cash equivalents	8	1,465,584	586,380
Loans and receivables	9	2,973,819	1,399,514
Other financial assets	14	-	4,766
Other non-current financial assets	14	16,046	325
Total financial assets		4,455,449	1,990,985
Financial liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	15	1,573,893	1,142,410
— Borrowings	16	4,953	2,017,193
Non-current interest bearing debt	16	19,364	24,317
Total financial liabilities		1,598,210	3,183,920

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 2013	Within 1 Year 2012	1 to 5 Years 2013	1 to 5 Years 2012	Over 5 Years 2013	Over 5 Years 2012	Total 2013	Total 2012
Financial liabilities due for payment								
Trade and other payables	1,573,893	1,142,410	-	-	-	-	1,573,893	1,142,410
Borrowings	4,953	2,017,193	-	-	-	-	4,953	2,017,193
Other current financial liabilities	-	7,699	19,364	29,644	-	-	19,364	37,343
Total expected outflows	1,578,846	3,167,302	19,364	29,644	-	-	1,598,210	3,196,946
Financial assets - cash flows realisable								
Cash and cash equivalents	1,465,584	586,380	-	-	-	-	1,465,584	586,380
Loans and receivables	2,973,819	1,399,514	-	-	-	-	2,973,819	1,399,514
Other financial assets	-	4,766	-	-	-	-	-	4,766
Other non-current financial assets	-	-	16,046	325	-	-	16,046	325
	4,439,403	1,990,660	16,046	325	-	-	4,455,449	1,990,985
Net (outflow)/inflow	2,860,557	(1,176,642)	(3,318)	(29,319)	-	-	2,857,239	(1,205,961)

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	
		2013	2012
Financial Assets		$	$
Cash and Cash Equivalents		1,465,584	586,380

	Post Tax Profit higher / (lower)		Other Comprehensive Income higher / (lower)	
	2013	2012	2013	2012
Consolidated	$	$	$	$
+ 1% (100 basis points)	10,260	4,979	-	-
- .5% (50 basis points)	(5,130)	(2,490)	-	-

(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	
		2013	2012
		$	$
Financial assets			
Cash and cash equivalents		163,829	66,503
Loans and receivables		633,698	97,480
Total Financial Assets		797,527	163,983
Financial liabilities			
Financial liabilities at amortised cost			
— Trade and other payables		(395,390)	(248,065)
Total financial liabilities		(395,390)	(248,065)
Net exposure		402,137	(84,082)

	Post tax profit higher / (lower)		Other comprehensive income higher / (lower)	
	2013	2012	2013	2012
	$	$	$	$
Consolidated				
PhP to USD +15%	(52,441)	11,206	-	-
PhP to USD -15%	70,950	(15,161)	-	-
PhP to AUD +15%	(52,453)	10,967	-	-
PhP to AUD -15%	70,965	(14,838)	-	-

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/(Losses) and Reserves

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

	Note	Consolidated Group 2013 $	2012 $
Balance 1 July		(21,298,134)	(13,547,450)
Net loss for the period		(5,821,405)	(7,750,684)
Balance 30 June		(27,119,539)	(21,298,134)

(b) Other reserves

	Consolidated Group		
	Options Reserve $	Foreign Currency Translation $	Total $
At 1 July 2012	418,578	710,640	1,129,218
Foreign currency translation	-	(60,114)	(60,114)
Share based payment	155,968	-	155,968
At 30 June 2013	574,546	650,526	1,225,072

(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:

1. In the opinion of directors:

   a) the financial statements and notes of Site Group International Limited as set out on pages 31 to 80, 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 2013 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.

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

On behalf of the Board

Vernon Wills
Director
Brisbane 28 August 2013

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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 2013, the statement of comprehensive income, statement of changes in equity and 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 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 1a, 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 of the financial report that gives a true and fair view 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 2013 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 1a.

Report on the remuneration report

We have audited the Remuneration Report included in pages 19 to 24 of the directors' report for the year ended 30 June 2013. 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 2013 complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

R J Roach

Ric Roach
Partner
Brisbane
28 August 2013

Shareholder Information

1 Twenty Largest Shareholders

(i) Ordinary Shares Inclusive of Escrowed Ordinary Shares

As at 12 August 2013, there are 310,147,803 ordinary shares and an additional 22,436,231 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	12.87
Talbot Group Investments	42,171,121	12.68
Cameron Richard Pty Ltd <Lps P/L No5 Exec B/Plan A/C>	20,712,500	6.23
Wayburn Holdings Pty Ltd	18,315,317	5.51
Mr Vernon Alan Wills and Ms Jillaine Patrice Wills <Wills Family Super Fund A/C>	14,823,688	4.46
Smithley Super Pty Ltd <Smith Super Fund A/C>	10,370,000	3.12
Linwierik Super Pty Ltd <Linton Super Fund A/C>	8,798,000	2.65
Cameron Richard Pty Ltd <Lps P/L No5 Exec B/Plan A/C>	7,578,009	2.28
Smithley Super Pty Ltd <Smith Super Fund A/C>	7,470,000	2.25
Mancorp Development Holdings Pty Ltd <The Ilfor A/C>	5,936,475	1.78
Craft Law Pty Ltd <Forster Super Fund A/C>	5,890,740	1.77
Ganbros Pty Ltd <The Ganim Family A/C>	5,721,800	1.72
Suntaneous Pty Ltd <Gb Clients Emp S/G A/C>	5,085,000	1.53
Myall Resources Pty Ltd <Myall Group Super Fund A/C>	4,700,000	1.41
Emancipayte Pty Ltd <Biesse Family A/C>	4,244,312	1.28
Sonenco No 200 Pty Ltd <Carriers Insurance S/F A/C>	4,002,000	1.20
Cyba Recruitment Limited	3,000,000	0.90
Gray Lane Holdings Pty Ltd <Voigt Family A/C>	3,000,000	0.90
John Gilbert Rodgers & Linda Marija Rodgers <J & L Rodgers Family A/C>	3,000,000	0.90
Paul Brian Scaysbrook	3,000,000	0.90

(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
Mr Vernon Alan Wills And Ms Jillaine Patrice Wills	42,787,727	13.80
Talbot Group Investments	42,171,121	13.60
Cameron Richard Pty Ltd <Lps P/L No5 Exec B/Plan A/C>	20,712,500	6.68
Wayburn Holdings Pty Ltd	18,315,317	5.91
Mr Vernon Alan Wills and Ms Jillaine Patrice Wills <Wills Family Super Fund A/C>	14,823,688	4.78
Smithley Super Pty Ltd <Smith Super Fund A/C>	10,370,000	3.34

Name	No. of Ordinary Shares Held	% of Issued Capital
Linwierik Super Pty Ltd <Linton Super Fund A/C>	8,798,000	2.84
Cameron Richard Pty Ltd <Lps P/L No5 Exec B/Plan A/C>	7,578,009	2.44
Smithley Super Pty Ltd <Smith Super Fund A/C>	7,470,000	2.41
Mancorp Development Holdings Pty Ltd <The Ilfor A/C>	5,936,475	1.91
Craft Law Pty Ltd <Forster Super Fund A/C>	5,890,740	1.90
Ganbros Pty Ltd <The Ganim Family A/C>	5,721,800	1.84
Suntaneous Pty Ltd <Gb Clients Emp S/G A/C>	5,085,000	1.64
Myall Resources Pty Ltd <Myall Group Super Fund A/C>	4,700,000	1.52
Emancipayte Pty Ltd <Biesse Family A/C>	4,244,312	1.37
Sonenco No 200 Pty Ltd <Carriers Insurance S/F A/C>	4,002,000	1.29
Gray Lane Holdings Pty Ltd <Voigt Family A/C>	3,000,000	0.97
Depofo Pty Ltd <Super A/C>	2,993,392	0.97
Onmell Pty Ltd <Onm Bpsf A/C>	2,920,000	0.94
Dcec Pty Ltd <Somerfam Super Fund A/C>	2,879,671	0.93

(iii) Escrowed Shares

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

Name	No. of Ordinary Shares Held	% of Issued Capital
Paul Brian Scaysbrook	3,000,000	13.37
Graham Kenneth Yerbury	2,500,000	11.14
Mr Vernon Alan Wills	2,000,000	8.91
Axis Training Group Pte Ltd	1,481,231	6.60
Christopher Edward Gittens	1,150,000	5.13
Nicasio Alcantara	1,000,000	4.46
Cyba Recruitment Limited	1,000,000	4.46
Craig Anthony Dawson	1,000,000	4.46
John Gilbert Rodgers & Linda Marija Rodgers <J & L Rodgers Family A/C>	1,000,000	4.46
Shaun Scott	1,000,000	4.46
Darryl Somerville	1,000,000	4.46
Brett Mcphee	750,000	3.34
John Gilbert Rodgers	750,000	3.34
Shane O'sullivan	700,000	3.12
Ismail Tahir	600,000	2.67
Jeremy Gittens	425,000	1.89
Noel Cheney	300,000	1.34
Artashes Makar	250,000	1.11
Mr Blake Alan Wills	250,000	1.11
Mr Jamie Vernon Wills	250,000	1.11

(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	139	346,025
1,001 - 5,000	177	3,135,583
5,001 - 10,000	49	2,874,091
10,001 - 100,000	166	49,582,593
Greater than 100,000	55	276,645,778
Totals	**586**	**332,584,070**

(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	15	330,000
5,001 - 10,000	1	50,000
10,001 - 100,000	18	5,925,000
Greater than 100,000	11	16,131,231
Totals	**45**	**22,436,231**

(iv) Unmarketable parcels

	Minimum parcel size	Holders	Shares
Minimum $500 parcel at $0.12 per share	4,167	107	139,334

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	78,676,732
Talbot Group Investments Pty Ltd	42,171,121
Cameron Richard Pty Ltd <Super fund>, Stuart Andrew Pty Ltd	29,904,145
Smithley Super Pty Limited < Smith Superfund A/C>	17,840,000

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.