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Brisbane QLD 4000

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29 August 2014

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 2014: and
- 2014 Annual Report

The 2014 financial statements are reflective of the strategy announced by Site during the year and contain costs and expenses of development of the e-learning and online platform, product development as well as the 4 acquisitions completed during the financial year representing a total consideration of AUD $23.5m.

This consideration, in addition to the cost of advisory and other costs associated with the acquisitions, was funded through a combination of equity and cash.

Full details are contained in the annual report lodged as attached.

- 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 2014
Previous Corresponding Reporting Period	30 June 2013

Results for Announcement to the Market

	$'000	Percentage increase /(decrease) over previous corresponding period
Revenue	17,314	33.6%
Profit / (loss) after tax attributable to members	(6,487)	(11.4%)
Net profit / (loss) for the period attributable to members	(6,487)	(11.4%)

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

Dividends

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

NTA Backing

	Current Period	**Previous corresponding period**
Net tangible asset backing per ordinary security	(0.35 cents)	2.75 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 1.81 cents is an improvement over the prior year loss per share of 1.92 cents, as a result of an 18% increase in weighted average number of shares on issue, despite an increased loss of $0.7 million. During the year the company issued shares associated with a fully underwritten rights issue and a private placement, an offer to employees under the employee share plan and as consideration for business combinations – full details are included in Note 20 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 22 to the Accounts (Operating Segments)

Discussion of trends in performance:

Refer to the Directors' Report

Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:

Refer to the Directors' Report

Audit/Review Status

<table>
<tr><td colspan="4">This report is based on accounts to which one of the following applies:
(Tick one)</td></tr>
<tr><td>The accounts have been audited</td><td>✓</td><td>The accounts have been subject to review</td><td></td></tr>
<tr><td>The accounts are in the process of being audited or subject to review</td><td></td><td>The accounts have not yet been audited or reviewed</td><td></td></tr>
<tr><td colspan="4">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</td></tr>
<tr><td colspan="4">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</td></tr>
</table>

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Audited financial statements 30 June 2014

Signed By (Director/Company Secretary)	
Print Name	Vernon Wills
Date	29 August 2014

Site Group International Limited

ABN 73 003 201 910

Annual report – 30 June 2014

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Annual General Meeting

The Annual General Meeting of the Company will be held at

Time:	10:00am
Date:	Monday, 24 November 2014
Location:	488 Queen Street, Brisbane QLD 4000.

Managing Director and CEO Letter

Dear Shareholders,

The last year was a year of significant acquisition, investment and rollout of infrastructure, platforms and development of capability. The program as outlined during the year is intended to position Site as a substantial player in the growth market of education and training.

Importantly effort and resources were focused on the identification of key areas that will enable Site to be a long term sustainable provider in the sector. This included targeting areas of funding for candidates nationally and internationally.

The identification of 4 key acquisitions, each with their own areas of speciality was canvassed by management and our advisors to ensure they were long term contributors to Site and its shareholders.

The acquisition of Captain Cook College (CCC), Romea and Competent Project Management (CPM) have expanded the existing Site Skills Training resources and should see Site Group push through $40m in revenues in 14/15 year with a growing positive EBITDA.

Expectations are that the 4th acquisition, TESOL Asia Group, will commence contribution along with the completion of development other online product, from early 2015.

Site's strategy is to continue to develop products that are high in demand for long term employment that also have high levels of barriers to entry. Specialised training that develops workforces for skills surrounding oil, gas and petrochemical industries are essential to support the 16 gas train coming on stream in Australia. The same demands are being replicated in emerging economies with Site, through the acquisition of Romea and CPM, in a perfect position to participate.

Typically these products are not price sensitive and provide capability of being measured for outcomes. Therefore the offerings are very output or demand focused.

Additionally Site now has extended its capability to participate in the 'funded markets'.

Domestically the acquisition of Captain Cook College provides access to government areas such as VET FEE HELP. CCC is now well advanced in its plans to roll out a series of campuses throughout Australia to fully leverage its market position. The first of these has opened at 488 Queen Street, Brisbane with more to be announced soon.

Internationally Site ran a number of 'pilot programs' where nearly 500 out of work youth from countries such as PNG, Indonesia and Philippines enrolled in long term courses at Clark. The success of these programs with the outcome of over 90% gaining meaningful long term employment in their home countries, has demonstrated to international funding agencies the scope and capability of running longer term courses at Clark.

Managing Director and CEO Letter continued

Site continues to leverage its remarkable corporate client base which is very important to the emerging economies program launched recently in Manila to train 3,000 heavy vehicle operators and 3,000 underground mining personnel over the next 3 years.

This includes partnering with industry leaders like OceanaGold who will invest US $1m in the creation of a simulated underground mine at our Clark facility.

Other customers will participate through off take agreements offering employment to graduating candidates.

As outlined in last year's annual report the Site training operational business continues to have good market support with further growth in the core training business.

The Site WorkReady business continued to experience the downturn in worker placements and as a result the business has been substantially reshaping to reduce costs and deploy key personnel into more productive roles reflective of current opportunities.

Overall Site has achieved its objective of transitioning from a development company to a position that sees a range of product offerings and revenue streams that stand it well for this coming financial year and beyond.

I thank the stakeholders for their patience and commitment to establish this platform. Management fully expects to leverage the platform through a measured expansion of facilities and organic growth.

As always I appreciate the support of the board and management and look forward to a sound performance over the coming year.

Vernon Wills
Managing Director and CEO

Corporate Directory

Directors	Darryl Craig Somerville (Chairman) Vernon Alan Wills Shaun Edward Scott Nicasio Alcantara
Company secretaries	Duncan Cornish Craig Dawson
Chief Executive Officer	Vernon Wills
Principal registered office in Australia	Site Group International Ltd. Level 4, 96 Albert Street Brisbane Qld 4000 Telephone: +61 7 3114 5188
Principal place of business	Site Group International Ltd Level 4, 96 Albert Street Brisbane Qld 4000 Telephone: +61 7 3114 5188
Share registry	Computershare Investor Services Pty Limited 117 Victoria Street West End QLD 4101, Australia Telephone: +61 7 3237 2100
Auditor	Ernst & Young 111 Eagle Street Brisbane QLD 4000, Australia
Solicitors	Hopgood Ganim Level 8, 1 Eagle Street Brisbane Qld 4000 Telephone: +61 7 3024 0000
Bankers	National Australia Bank Cnr. Adelaide and Creek Streets Brisbane QLD 4000 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 2014

Directors' Report

Your Directors submit herewith the financial report of Site Group International Limited for the year ended 30 June 2014.

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 58)

Vern Wills has had extensive involvement in the training & education sector and established one of Australia's largest private training providers, Careers Australia Group.

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 Ltd. Additionally he serves as a Director of Eumundi Group Ltd (since September 2004) 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 71)

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, FCPA – Chairman and Non-Executive Director (Age 65)

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 49)

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 as well as a non-executive director of Buccaneer Energy Limited until 14 August 2013. 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 Secretaries

Duncan Cornish BBus (Accountancy), ACA

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

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

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

Craig Dawson BCom, ACA

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

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

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

Directors’ Report continued

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.

Meetings of Committees

	Board No.	Attended No.	AC No.	Attended No.	NRC No.	Attended No.
Vernon Wills	9	9	3	3*	1	1**
Darryl Somerville	9	9	3	3	1	1
Shaun Scott	9	9	3	3	1	1
Nicasio Alcantara	9	7	-	-	-	-

* ex officio attendance

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

All directors were eligible to attend all meetings held.

Principal Activity

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

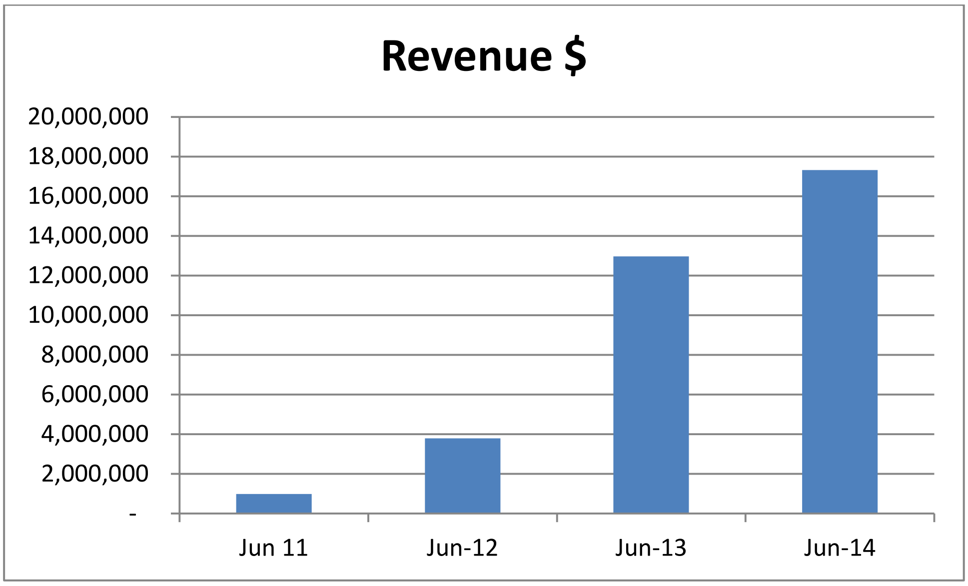
Operating and financial review

Group

Total revenue from operations was $17,314,375 (2013: $12,960,549) a 34% increase over the prior comparative period. The revenue growth of the business over the previous 4 financial years reflecting the ramp up in operations of the business is illustrated in the following graph:

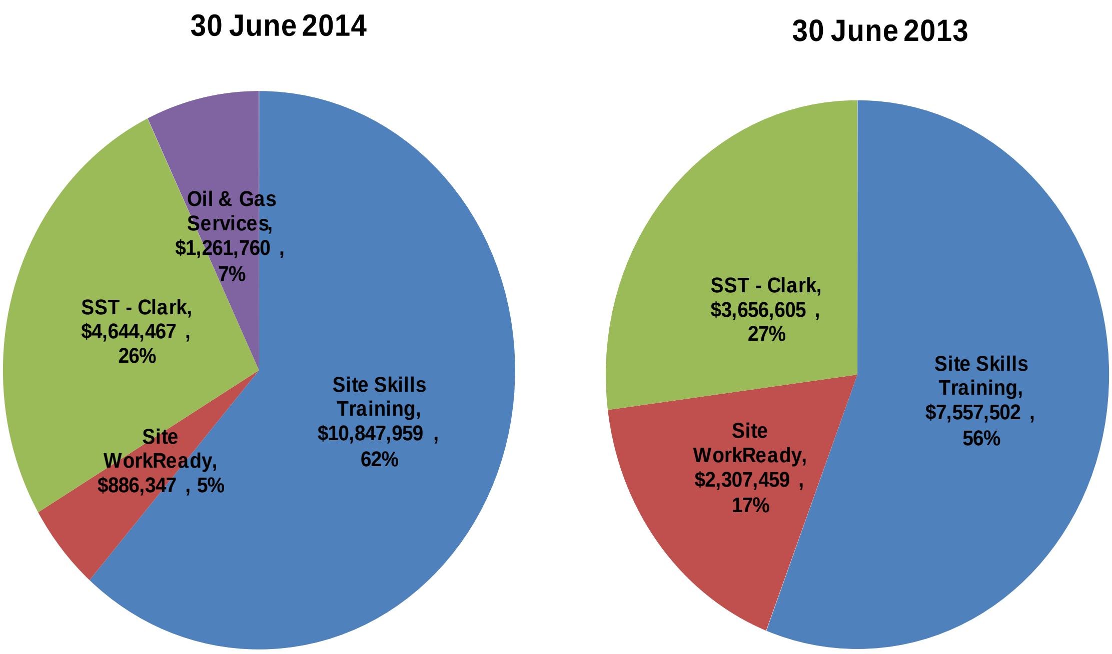
Directors' Report continued

Operating and financial review continued



Graph 1 Reported Revenue – June 2011 to June 2014

Revenue contribution and activity by each segment is illustrated in the two charts below. This highlights the contribution from the new segment being Oil and Gas Services and the continued growth of Site Skills Training and Clark segment.



Graph 2 Gross Revenue by Segment June 2014 versus June 2013 (excludes eliminations)

Directors' Report continued

Operating and financial review continued

	30 June 2014	2013	Change 14-13 %	30 June 2012	Change 13-12 %
Revenue	17,314,375	12,960,549	33.6%	3,789,107	242.0%
Net loss	(6,487,117)	(5,821,405)	(11.4%)	(7,750,684)	24.9%
add back					
Depreciation and amortisation	1,473,174	1,237,853	19.0%	759,599	63.0%
Interest paid	19,532	87,175	(77.6%)	64,172	35.8%
Income tax expense	45,682	-		-	
deduct					
Interest income	42,975	54,713	(21.5%)	37,568	45.6%
EBITDA*	(4,991,704)	(4,551,090)	(9.7%)	(6,964,481)	34.7%
Non-recurring transaction costs	771,014	18,339		-	
EBITDA* before transaction costs	(4,220,690)	(4,532,751)	6.9%	(6,964,481)	34.9%
Operating cash outflow	(3,538,244)	(5,496,323)	35.6%	(7,426,068)	26.0%

** 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 2014, Site Group International Limited reported a loss after tax of $6,487,117 compared to a $5,821,405 loss in the previous corresponding period.

This result reflects the expense of acquisitions and in part continues to reflect the significant investment required for the expansion of our offering and capability. Site continued to invest heavily into online and e-learning platforms and product and new initiatives including the expansion of product and capability for TESOL Asia. Additionally significant investment was made into development of mock ups and materials for short course delivery for the energy services division through Romea. Through expanding the service offering, Site will be able to maximise the return on its investment in its existing facilities as well as leveraging the existing client base.

This level of investment and the transactions that the group has completed has had a significant impact on the FY14 group result with a 19% increase in depreciation and amortisation to $1,473,174 and incurring significant non-recurring transaction costs of $771,014.

The previously noted trend of improving year on year EBITDA has continued once adjustment is made for these one off transaction costs, as detailed in the table above, with a 7% improvement to an EBITDA loss of $4,220,690

This trading period has seen the inclusion of 4 new acquisitions completed by the group:

- The Romea Training acquisition completed on the 6 December 2013 as the foundation for the new energy division. The targeted rollout of new courses has commenced and we are expecting to deliver significant returns from this expansion of our scope, particularly in our energy training centres of Perth, Darwin and Gladstone.

- The acquisition of Competent Project Management based in Singapore and Malaysia, completed on the 1 May 2014, further complements the energy division with the ability to provide more complete workforce assessment services to the Oil and Gas sector. By utilising the capability gained from the Romea acquisition to deliver energy training services, this division will:

Operating and financial review continued

- Create world class competency based Oil and Gas Technical Skills Training and Assessment Centres in strategic areas in the Asia Pacific region with a focus on services around operations and maintenance personnel;
- Focus on skills gap analysis, up skilling and skills development; and
- Deliver Operation & Maintenance (O&M) technical assessment and development and skills audits.

- The acquisition of Tesol Asia Group on 3 April 3014 provides the group with a network of TESOL (Teaching English to Speakers of Other Languages) intellectual assets and infrastructure to be used as a platform for the delivery of English Language studies throughout Asia. It also complements the existing operations through the majority of documents in the oil and gas and construction industries are written in English.

- The acquisition of Captain Cook College was announced on 7 May 2014 and completed following shareholder approval on 30 June 2014. As an RTO based in Brisbane delivering a range of courses in business, management, project management and IT at the diploma and advanced diploma level, this business forms the foundation of the professional courses division. The majority of courses are delivered through the Federal Government VET FEE-HELP program and as the holder of a CRICOS licence, it is able to market to international students.

Site Skills Training

Site has established itself as a leading provider of assessment and training through its facilities in Belmont (Perth), Winnellie (Darwin), Gladstone and Landsborough (Sunshine Coast) as well as onsite delivery on projects such as Wheatstone, Gorgan, Solomon, Christmas Creek, Cloudbreak, INPEX and areas surrounding Gladstone in Queensland.

Additionally Site has established a significant major client list including leading mining, oil and gas, and construction companies both in Australia and internationally.

To achieve this, Site considers that it has developed a 'leading provider status' amongst industry particularly in the area of high risk training (cranes, platforms, confined spaces, scaffolding, rigging and dogging).

Site is also delivering training internationally at its Clark, Philippines facility, in Mechanical (Heavy Diesel) construction, fabrication, engineering as well as hospitality, cookery and related camp services. A part of this training also includes leadership and front line management programs.

Internationally Site also delivers onsite in countries such as PNG, Indonesia, Singapore, China, UAE Azerbaijan and others.

Site has also begun its push into domestic markets funded by Governments, both State and Federal, which is an area of immense growth and opportunity.

These opportunities exist in Australia through Federal and State government projects (VET FEE-HELP, Cert III apprenticeship guarantee and other individual state government projects). These programs are very relevant to Captain Cook College, Romea and CPM as well as the Site Skills Training business.

Site initiated a service of pilot programs for emerging markets training nearly 500 candidates from long term unemployment to employment in an output focussed model that has seen approximately 90% of all candidates finding meaningful long term employment.

International Aid agencies such as AusAid (being returned to DFAT by the Federal government), Asian Development BANK (ADB – Australia is the 5th largest shareholder), Amnesty International and other foundations such as the IPATAS Foundation from PNG have mandates and plans for emerging economies to skill workforces into employment.

Operating and financial review continued

Such inclusive growth programs are being developed and Site is well positioned to participate through its Clark facility. Examples of these programs include the IPATAS pilot of 120 PNG Nationals for Heavy Diesel, construction fabrication and camp services/cookery and the Malampaya (Shell Chevron PNOC) program to skill Palawan out-of-work youth to employment and the OcenaGold heavy diesel program.

Identification of the areas of potentially substantial growth led to the establishment of specialist resources to secure Site's participation in these programs of funding – both in Australia and internationally.

Overall the revenue of $10,847,959 for the Site Skills training and assessment business excluding Clark was an increase of 44% over the 30 June 2013 revenue of $7,557,502.

Site Skills Training in the Clark Freeport Zone had revenue for year to 30 June 2014 of $4,644,467 which represents an increase of 21% over the prior comparative period of $3,656,606.

Site WorkReady

Revenue for our international placement business Site WorkReady was $886,347 for the year. This represents a decrease of 62% over the year from 30 June 2013 ($2,307,459). The business was impacted by a massive reduction in mining services related skilled workers being recruited nationally under 457 visas. As anticipated in the 30 June 2013 annual report, the slowdown continued past the Australian Federal Election in September. The focus for the Site Work Ready team is on projects where certain skills will not be able to be sourced exclusively within Australia as well as expanding on deployment into other international locations.

Cash Position

At 30 June 2014 the company had cash at bank of $3,142,971. Given the expected operating results in the FY15 financial year the company has sufficient funding to meet its medium term funding requirements. The company also has access to a $4 million unsecured loan facility with Wayburn Holdings Pty Ltd available until 31 August 2015.

Risks

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

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

Risk	Details
Regulatory Risk	The Group operates in a highly regulated market and the Group is regulated by the Australian Federal and State Governments and the Philippine Government. Failure to meet regulatory requirements may impact materially on the business.
Sovereign Risk	The Group has significant operations in the Philippines. Those operations are potentially subject to a degree of political risk and civil disobedience, although the location of Clark Education City within the Clark Freeport Zone helps mitigate such risks.
Cultural Unrest	Any cultural unrest or perceived cultural unrest in the location of the campuses may result in decreased client interest.

Risk	Details
Competition	The market for education services in Australia and worldwide is highly competitive and the group is likely to encounter strong competition from other entities as well as other countries for training.
Industry Downturn	The industries to which the Group provided services may be affected by factors outside the Group's control.
Limited Operating History	Site's business model is relatively new and Site is yet to generate significant profit from its business activities. The Group will be subject to all of the business risks and uncertainties associated with any new business enterprise.
Material Contracts	The Group has entered into various contracts which are important to the future of the group. Any failure by counterparties to perform their job, or obligations could have an adverse effect on the Group.
CDC Lease	The Group has entered a long term lease with Clark Development Corporation (**CDC**). There are a number of circumstances in which the CDC lease may be terminated (subject to compliance with provisions enabling certain breaches to be remedied) by CDC in which case Site does not have any rights to compensation or reimbursement for funds expended on the leased land, improvements and moveables on the leased property pass to CDC on termination. Such termination may occur where Site has breached a provision of the CDC lease or where there is an insolvency event. The CDC lease may also be terminated in the event of any governmental expropriation of the leased property. In the event that the CDC lease was terminated, Site would no longer be in a position to operate its Philippines facility which would have significant impact on the Group and the Group's ongoing operations.
Currency	Some of Site's revenue streams and expenses are denominated in currencies other than the Australian Dollar. It is possible that foreign exchange rates could move in a manner which would be unfavourable to the company.
Large Holdings by some shareholders	The two most significant existing shareholders (and their associates) have combined holdings of approximately 30% of the shares which may impact on liquidity in the public market for the sale of shares which may adversely affect the market price.
Key Employees	A small number of key employees are responsible for the day to day and strategic management of the Group. The Company has sought to mitigate the risk associated with this structure through entering service and employment agreements.
Financing	The ability to implement its business strategy will be dependent upon the Group's capacity to raise additional capital. There is a risk that the Group may not be able to secure such funding on satisfactory terms or at all.

Risk	Details
Natural Catastrophe	The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, drought, volcanic eruption and earthquakes. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Group's operations.
Foreign Judgements	Whilst there are procedures for recognising foreign laws and judgements in the Philippines, the Philippine courts may reject the applicability of foreign law or judgment when the foreign law, judgment or contract is contrary to a sound and established public policy of the forum. Additionally, Philippine prohibitive laws concerning persons, their acts or property, and those which have for their object public order, public policy and good customs shall not be rendered ineffective by laws or judgments promulgated, or by determinations or conventions agreed upon in a foreign country. Accordingly, the enforcement of rights of the Group within the Philippines with respect to foreign judgments and laws may be adversely affected by observance of Philippine procedural laws.
Material Arrangements	The Group has and expects to continue to enter into arrangements which are important to the future of the Group. It may be the case that these arrangements are non-binding and therefore unenforceable. The Group is also reliant upon third parties maintaining appropriate qualifications and accreditations and to the extent that these are not maintained, there may be an adverse impact on the Group.
Geographic Concentration	The Group's expansion plans include the Philippines, Western Australia, Northern Territory and Queensland as well as potentially other national and international jurisdictions. If there are circumstances which impact negatively on these jurisdictions, this may adversely effect the Group's continuing operations.

2015 Outlook

Currently there are a number of players (private equity and foreign nationals, institutions etc.) gearing up investment to participate in a rapidly deregulating and emerging market.

The Board and management consider that Site is ideally positioned to be a central player in these opportunities having invested substantial money and time in facilities, developing customers and entering markets.

Site's training and assessment model, its locations (both campus and onsite delivery) and its investment into workforce planning solution through Site WorkReady gives Site a clear link with the funders of program who all desire one objective to maximise the outcome objective – gainful employment through skilling.

The completion of the acquisitions to date has enabled the group to achieve its objective of diversifying program offerings and diversifying funding opportunities.

Directors' Shareholdings

Director	Shares
Vernon Wills	93,870,208
Darryl Somerville	4,675,045
Shaun Scott	2,612,500
Nicasio Alcantara	1,000,000

Directors' Report continued

Significant Changes in State of Affairs

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

- Capital Management
  - In January 2014, Site successfully completed a fully underwritten rights issue and issued 33,485,590 shares at $0.14 per share raising $4,687,983 before issue costs
  - In June 2014, the company completed the issue of 30,000,000 shares under a private placement at $0.17 per share raising $5,100,000 before issue costs.
  - In August 2014, the company increased the unsecured loan facility agreement to $4 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 2015.
- Business Acquisitions
  - On 6 December 2013, the company acquired Romea Training for total purchase consideration of $946,473. Total cash paid as part of the transaction is $676,473.
  - On 3 April 2014 the group acquired TESOL Asia Group for total consideration of $2,500,000 dependant on future earnings of the group. On 9 April 2014 the company issued 9,999,999 shares to the vendor of TESOL.
  - On 5 May 2014 the group announced the completion of the acquisition of Competent Project Management group for total consideration of $4,683,869. As part of the consideration the company issued 19,863,340 shares to the vendor at $0.14 per share.
  - On 30 June 2014, the company completed the acquisition of Captain Cook College for total consideration of $15,388,302 dependent on FY15 EBIT. As such the company issued 46,428,572 shares to the vendors at $0.14 per share.
- 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 started in November 2013 for 4 and 6 months with on the job training with the employers back in PNG.

After Balance Date Event

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

Dividends Paid

There have been no dividends paid.

Environmental Issues

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

Share Options

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

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.

Directors' Report continued

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, EY, 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 EY during or since the financial year.

Non-Audit Services

Non-audit services were provided by the entity's auditor, EY. 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
29 August 2014

Directors' Report continued

Remuneration Report (audited)

This remuneration report for the year ended 30 June 2014 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 in 2012 and have agreed a charter and process. The Remuneration committee convened once during the 2014 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 International Limited during the financial year:

- Darryl Somerville – Chairman and Non-Executive Director
- Vernon Wills – Managing Director and Chief Executive Officer
- Nicasio Alcantara – Non-Executive Director
- 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 specified executives during the year ended 30 June 2013.

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 Director's 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. No sign on shares were granted.

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

Directors' Report continued

Remuneration Report (audited)

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 three 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 3.5% of his total remuneration.

Directors of Site Group International Limited

2014	**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	-	-	-	-	-	9,117	309,117
Nicasio Alcantara	-	65,582	-	-	-	-	4,558	70,140
Shaun Scott	-	59,999	-	5,550	-	-	4,558	70,107
Darryl Somerville	-	59,999	-	5,550	-	-	4,558	70,107
Total	300,000	185,580	-	11,100	-	-	22,791	519,471

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

Directors' Report continued

Remuneration Report (audited) continued

Specified Executives of the Consolidated Entity

2014	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 $
Blake Wills	120,840	-	11,100	-	-	3,934	135,874
Chris Gittens	169,193	-	15,589	-	-	83,613	268,395
Craig Dawson	220,430	-	20,367	-	-	125,732	366,529
Total	510,463	-	47,056	-	-	213,279	770,798

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

[1] Commenced February 2013

[2] Commenced July 2012

[3] Resigned February 2013. No termination benefits were paid

[4] Resigned July 2012. No termination benefits were paid

Director and Key Management Personnel Options and Rights Holdings

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

Name	Balance 1 July 2013	Granted as remuneration	Options Exercised	Options Expired	Balance 30 June 2014
Vernon Wills	500,000	-	-	(500,000)	-
Nicasio Alcantara	500,000	-	-	(500,000)	-
Total	1,000,000	-	-	(1,000,000)	-

Director and Key Management Personnel participation in the Employee Share Plan

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

Directors' Report continued

Remuneration Report (audited) continued

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

Name	Balance 1 July 2013	Granted as remuneration	Shares Sold	Net Other Change	Balance 30 June 2014	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	-	-	500,000	500,000	-	250,000
Chris Gittens	-	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Craig Dawson	-	1,000,000	-	-	1,000,000	1,000,000	-	1,000,000
Total	5,250,000	2,250,000	-	-	7,500,000	7,500,000	-	7,250,000

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
Chris Gittens	1,000,000	$0.20	200,000	200,000
Craig Dawson	1,000,000	$0.20	200,000	200,000
Blake Wills	500,000	$0.20	100,000	100,000

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

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

Directors' Report continued

Remuneration Report (audited) continued

Sign on and bonus benefits to key management personnel

Messrs Dawson and Gittens were employed by the company and as part of their employment were issued shares in two and three equal tranches, the first tranche to be held in escrow for 12 months, the second tranche to be escrowed for 24 months and the third tranche to be held in escrow for 36 months. 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
Chris Gittens	1,000,000	$0.10807	108,066
Craig Dawson	1,000,000	$0.14948	149,484

* The issue of these shares was approved by shareholders at a General Meeting held on 8 November 2013. They were issued on 2 August 2013.

** 30 days Volume Weighted Average Price (VWAP) immediately preceding the signing of the contract or resolution of issue.

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

Milestone Shares

During the 2013 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.

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

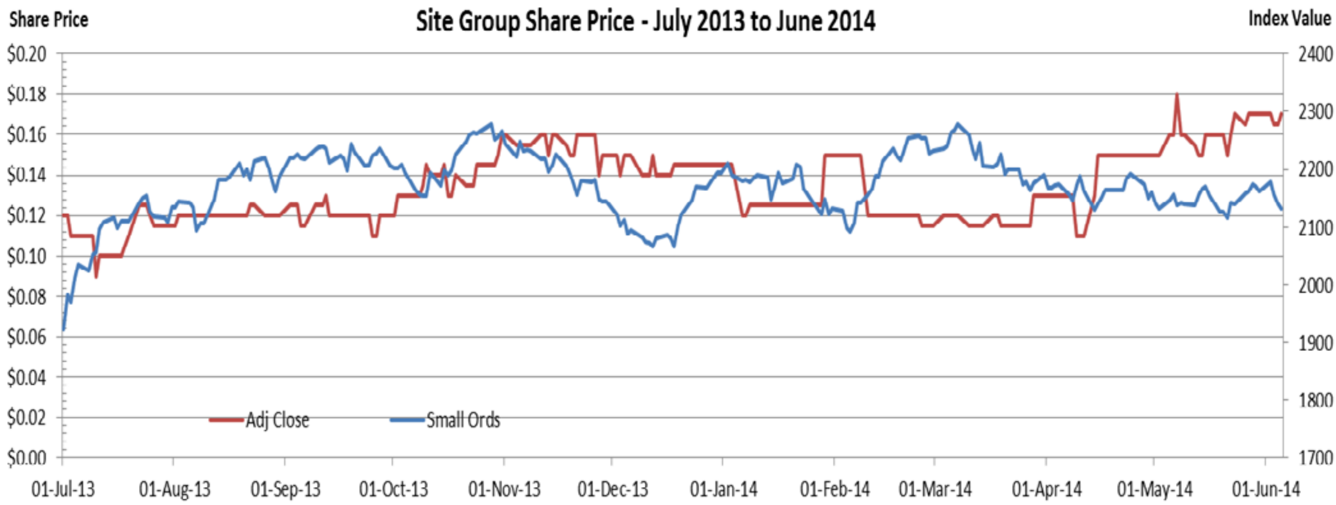
Executive Remuneration Outcomes for 2014

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.

Remuneration Report (audited) continued



Revenue Growth

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

	2014	2013	2012	2011	2010
Total Revenue	17,357,350	13,015,262	3,826,675	1,029,376	363,487
Growth %	33%	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 Loss per Share

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

	2014	2013	2012	2011	2010
Total Loss	(6,487,117)	(5,821,405)	(7,750,684)	(9,899,904)	(3,404,460)
Change %	(11%)	25%	22%	(191%)	-
Loss Per Share	(1.81)	(1.92)	(4.25)	(8.29)	(4.81)
Share price at year end	$0.15	$0.119	$0.148	$0.161	

The year on year improvement of loss per share for 2014 since 2011 reflects improved revenue from the expansion of facilities and also incorporates significant transaction costs relating to acquisitions. The leadership team are focused on controlling costs and growing earnings.

Transactions with Key Management Personnel

The company paid an underwriting fee to Wayburn Holdings of $95,639, a company associated with Vernon Wills as consideration for underwriting the rights issue completed on the 13 January 2014, whereby the company issued 33,485,590 shares at $0.14 per share.

On 3 May 2012, Wayburn Holdings established an unsecured loan facility for $2 million. The interest rate of 7.0% per annum on the drawn component is calculated and credited monthly. On 26 August 2013, the company renewed this facility with Wayburn Holdings Pty Ltd on the same terms for a 12 month term to 31 August 2014 and then on 5 February 2014, renewed again out to 31 August 2015. In December 2013 the company drew down $500,000 from the loan facility and repaid in full on 13 January 2014. Interest charged on the loan was $2,568 to 30 June 2014 (2013: $70,466). On 1 August 2014, the company increased the facility to $4 million on the same terms.

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

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.

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	75	75	50%	50%	150
Total	88	77	53%	47%	165

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 2014 year is set out in the Directors' Report.

In 2014 and 2013 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.

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

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
- 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.

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 annually. 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 2014, 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
29 August 2014

Statement of Comprehensive Income

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
Continuing operations			
Revenue	3	17,314,375	12,960,549
Interest Income - external		42,975	54,713
Total Revenue		17,357,350	13,015,262
Contractor expenses		(4,308,050)	(3,320,050)
Other direct fees and costs		(4,181,208)	(2,783,473)
Employee benefits expense	4	(7,118,965)	(5,344,125)
Depreciation and amortisation expense		(1,473,174)	(1,237,853)
Finance costs	4	(19,532)	(87,175)
Other expenses	4	(4,126,913)	(3,876,985)
Occupancy expenses		(2,613,681)	(2,195,312)
Foreign currency gain / (loss)		42,738	8,306
Loss before tax		(6,441,435)	(5,821,405)
Income tax benefit / (expense)	17	(45,682)	-
Loss for the period from continuing operations		(6,487,117)	(5,821,405)
Loss for the period		(6,487,117)	(5,821,405)
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation of foreign operations		114,284	(60,114)
Items not to be reclassified to profit or loss in subsequent periods:			
Remeasurement losses on defined benefit plan		(12,531)	-
Total other comprehensive income/(loss)		101,753	(60,114)
Total comprehensive income/(loss)		(6,385,364)	(5,881,519)
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	(1.81)	(1.92)

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

SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910
AND CONTROLLED ENTITIES AS AT 30 JUNE 2014

Statement of Financial Position

	Note	Consolidated Group 2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	3,142,971	1,465,584
Trade and other receivables	9	3,634,611	2,973,819
Inventories	10	55,289	44,206
Intangible assets	13	162,450	162,450
Prepayments		216,736	64,836
Security deposits		265,390	520,296
TOTAL CURRENT ASSETS		7,477,447	5,231,191
NON-CURRENT ASSETS			
Property, plant and equipment	12	7,694,630	6,896,687
Intangible assets	13	23,794,691	1,003,990
Security deposits		388,977	323,086
Other non-current financial assets	14	80,827	16,046
TOTAL NON-CURRENT ASSETS		31,959,125	8,239,809
TOTAL ASSETS		39,436,572	13,471,000
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	3,790,609	1,573,893
Interest bearing debt	16	34,834	4,953
Current tax liabilities	17	159,437	17,494
Provisions and other current financial liabilities	18	302,414	204,517
TOTAL CURRENT LIABILITIES		4,287,294	1,800,857
NON-CURRENT LIABILITIES			
Other provisions and other non-current liabilities	18	1,609,192	1,396,682
Contingent consideration liability	19	10,843,446	-
Deferred income tax liability	17	341,974	-
Interest bearing debt	16	72,302	19,364
TOTAL NON-CURRENT LIABILITIES		12,866,914	1,416,046
TOTAL LIABILITIES		17,154,208	3,216,903
NET ASSETS		22,282,364	10,254,097
EQUITY			
Issued capital	20	54,138,077	36,148,564
Reserves	28	1,763,474	1,225,072
Retained earnings	28	(33,619,187)	(27,119,539)
TOTAL EQUITY		22,282,364	10,254,097

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 2012	25,362,928	(21,298,134)	710,640	418,578	5,194,012
Comprehensive income					
Loss for the year		(5,821,405)			(5,821,405)
Other comprehensive income / (loss) 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 period	11,293,393				11,293,393
Transaction costs	(507,757)				(507,757)
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
Comprehensive income					
Loss for the year		(6,487,117)			(6,487,117)
Other comprehensive income / (loss) for the year		(12,531)	114,284		101,753
Total comprehensive income / (loss) for the year	-	(6,499,648)	114,284	-	(6,385,364)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period	18,340,825				18,340,825
Transaction costs	(351,312)				(351,312)
Share-based payments				424,118	424,118
Total transactions with owners and other transfers	17,989,513	-	-	424,118	18,413,631
Balance at 30 June 2014	54,138,077	(33,619,187)	764,810	998,664	22,282,364

Statement of Cash Flows

	Note	Consolidated Group 2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		16,832,250	11,519,678
Payments to suppliers and employees		(20,374,378)	(16,992,170)
Interest received		42,910	54,712
Finance costs		(12,295)	(78,543)
Income tax paid		(26,731)	-
Net cash provided by/(used in) operating activities	23	(3,538,244)	(5,496,323)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,428,418)	(1,568,041)
Proceeds from disposals		36,524	-
Purchase of intangible assets		(58,483)	(123,795)
Cash backed performance bonds		234,860	(505,000)
Payment for business / subsidiary, net of cash acquired	1c	(3,395,098)	47,292
Net cash provided by/(used in) investing activities		(4,610,615)	(2,149,544)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		10,170,825	10,450,767
Proceeds from borrowings		500,000	375,000
Repayment of borrowings		(500,000)	(1,773,044)
Transaction costs on shares		(351,312)	(507,757)
Net cash provided by/(used in) financing activities		9,819,513	8,544,966
Net increase(decrease) in cash held		1,670,654	899,099
Effect of exchange rates on cash holdings in foreign currencies		6,733	(19,895)
Cash and cash equivalents at beginning of financial year		1,465,584	586,380
Cash and cash equivalents at end of financial year	8	3,142,971	1,465,584

Notes to the Financial Statements for the Year Ended 30 June 2014

Note 1 Corporate Information

The consolidated financial report of Site Group International Limited (Site Group) for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the directors on 29 August 2014.

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.

The financial report is presented in Australian dollars.

(a) Compliance with IFRS

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

(b) Going concern

The financial report has been prepared on the basis that the consolidated entity can continue to meet its financial obligations as and when they fall due and can therefore continue normal activities, including the settlement of liabilities and the realisation of assets in the ordinary course of business.

In the current year the company incurred trading losses and cash outflows relating to the ongoing operations both in Australia and the Philippines and also through incurring non-recurring transaction costs associated with the completed acquisitions.

Note 1a Summary of significant accounting policies continued

The inclusion and leverage of the acquisitions over the existing Site Facilities and the completion of successful pilot programs held at Clark demonstrating the concept and value of programs to meet the needs of emerging economies provide the platform for the company being cash flow positive in the 2015 financial year. At 30 June 2014, the company had cash reserves of $3,142,971. In addition, a significant portion of the liability recognised in the balance sheet is contingent consideration of which the majority is payable in equity. On 1 August 2014, the company also increased and renewed an unsecured loan facility agreement for $4million 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 2015.

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 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.

In the event the company does not meet its forecast operational cash flows or if required, raise sufficient capital to meet its cash flow objectives, there is uncertainty whether the entity will continue as a going concern and as a result whether it will realise its assets and extinguish its liabilities in the normal course of business and at amounts stated in the financial report. No adjustments have been made relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the company and/or consolidated entity not continue as going concerns.

(c) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures.

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2013:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits
- AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle
- AASB 2012-9 Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039
- AASB 1053 Application of Tiers of Australian Accounting Standards
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements
- AASB 2013-3 Amendments to AASB 136 – Recoverable amount disclosures for non-financial assets

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 2014 are outlined in the table below:

Reference	Title	Application date of standard*	Impact on Group Financial Report	Application date for Group*
AASB 2012-3	Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	1 January 2014	The group has not determined the impact of these standards.	1 July 2014
AASB 9/IFRS 9	Financial Instruments	1 January 2018	The group has not determined the impact of these standards.	1 July 2018
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]	1 January 2014	The group has not determined the impact of these standards.	1 July 2014
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]	1 January 2014	The group has not determined the impact of these standards.	1 July 2014
AASB 2014-1 Part A - Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	1 July 2014	The group has not determined the impact of these standards.	1 July 2014
AASB 2014-1 Part A - Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	1 July 2014	The group has not determined the impact of these standards.	1 July 2014
AASB 1031	Materiality	1 January 2014	The group has not determined the impact of these standards.	1 July 2014
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	Part A – 20 December 2013 Part B – 1 January 2014 Part C - ! January 2015	The group has not determined the impact of these standards.	Part A – 30 June 2014 Part B – 1 July 2014 Part C -1 July 2015
Amendments to IAS 16 and IAS 38*****	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016	The group has not determined the impact of these standards.	1 July 2016
AASB 2014-1	Amendments to Australian Accounting	1 July 2014	The group has not determined the impact of these standards.	1 July 2014

Reference	Title	Application date of standard*	Impact on Group Financial Report	Application date for Group*
Part B Amendments to AASB 119	Standards - Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)			
IFRS 15	Revenue from Contracts with Customers	1 January 2017	The group has not determined the impact of these standards.	1 July 2017
AASB 2014-2	Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements [AASB 1053]	1 July 2014	The group has not determined the impact of these standards.	1 July 2014

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). Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

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

Note 1a Summary of significant accounting policies continued

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(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), Competent Project Management Pte Ltd functional currency is Singapore Dollars (SGD) and Competent Project Management Sdn Bhd functional currency is Malaysian Ringgit (MYR). Each of these is translated to the presentation currency.

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

Note 1a Summary of significant accounting policies continued

(g) Cash and cash equivalents

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

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

(h) Financial instruments – initial recognition and subsequent measurement

Financial assets

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

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

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

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

Note 1a Summary of significant accounting policies continued

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

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

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

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in statement of comprehensive income in finance costs for loans and in cost of sales or other operating expenses for receivables.

Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs. The Group did not have any held-to-maturity investments during the years ended 30 June 2014 and 2013.

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.

Note 1a Summary of significant accounting policies continued

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

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

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

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

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

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

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

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

Note 1a Summary of significant accounting policies continued

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

Impairment of financial assets

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

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

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

The present value of the estimated future cash flows is discounted at the financial asset's original 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.

Note 1a Summary of significant accounting policies continued

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

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.

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.

Note 1a Summary of significant accounting policies continued

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

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.

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.

Note 1a Summary of significant accounting policies continued

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

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

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

(i) Inventory

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

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

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

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

(j) Property, plant, and equipment

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

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

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period when they are incurred.

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.

Note 1a Summary of significant accounting policies continued

(j) Property, plant, and equipment continued

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

Class of fixed asset	Estimated Life
Building and Leasehold improvements	2 – 22 years
Furniture and fittings	2 – 20 years
Computer equipment	3 – 5 years
Vehicles	3 – 5 years

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

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

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

(k) Leases

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

Group as a lessee

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

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

(l) Intangible assets

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

Licences and Course Material
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.

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

Customer Contracts
Site group acquires customer contracts with significant value to be realised through the profit and loss in future months. The economic potential of these contracts is measured as a risk adjusted discounted cash flow to be generated from these contracts and recorded as an intangible asset which is amortised over the life of the contracts.

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

(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. Based on historical evidence no discounting of annual leave has been applied. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.
(ii) Long service leave
The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees once an employee reaches five years of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, the estimated future cash outflows.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

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

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.
Project Income Revenue is recognised throughout the period of the project.
Interest Income Revenue is recognised as the interest accrues, taking into account the effective yield on the asset.
Placement Services Revenue is recognised throughout the period of the placement activity provided recovery of fees is considered probable.
Other Income Revenue is recognised at point of sale or when it can be reliably measured.

(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.

(w) Fair value measurement

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

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

Note 1b Significant accounting judgements, estimates and assumptions

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

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 (2013: 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.

Estimate of contingent consideration

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

Note 1c Business Combinations and acquisitions

Romea Consulting Pty Ltd

On 6 December 2013, the Group acquired 100% of the shares in Romea Consulting Pty Ltd (Romea) a business that provides training and assessment services in energy related skills training. The acquisition has been accounted for using the acquisition method.

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

	Fair value recognised on acquisition $
Assets	
Debtors	53,754
Property, plant and equipment	50,088
Intangibles – intellectual property including training materials	1,019,096
	1,122,938
Liabilities	
Bank overdraft	44,227
Trade and other payables	106,053
Provisions	26,185
	176,465
Provisional fair value of identifiable net assets	**946,473**

Acquisition date fair value of purchase consideration transferred:	
Shares in Site Group International Limited, at fair value	270,000
Cash paid	676,473
Total purchase consideration	**946,473**

Net cash acquired with the subsidiary	(44,227)
Cash paid	(676,473)
Net cash outflow	**(720,700)**

From the date of acquisition (6 December, 2013), Romea Consulting Pty Ltd has contributed $259,361 of revenue and $262,948 of net loss before tax to the Group. The company cannot reliably estimate what the contribution to revenue or to the result would have been if the combination had occurred at the beginning of the period, however note any contribution would not be material to the Site Group International consolidated result.

Transaction costs associated with the acquisition of Romea of $12,178 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.

In addition 3,000,000 shares were issued to certain employees of Romea for nil consideration. These shares have a market value of $405,000 and are escrowed for 3 years subject to the completion of milestone performance requirements. This has been accounted for as an employment benefit expense and not with the above business combination.

Notes to the Financial Statements for the Year Ended 30 June 2014 continued

Note 1c Business Combinations and acquisitions continued

TESOL Asia Group

On 3 April 2014, the Group acquired Tesol Asia Group, a network of TESOL (Teaching English to Speakers of Other Languages) intellectual assets and infrastructure to be used as a platform for delivery of English language studies throughout Asia. The acquisition has been accounted for using the acquisition method. The acquisition date fair value of the acquired business is preliminary and may be adjusted as a result of obtaining a formal valuation within 12 months in accordance with AASB 3 Business Combinations.

The provisional fair value of the identifiable assets and liabilities of Tesol Asia Group as at the date of acquisition was:

	Fair value recognised on acquisition $
Fair value of identifiable net assets	-
Goodwill arising from acquisition	2,500,000
Purchase consideration	2,500,000
Acquisition date fair value of purchase consideration transferred:	
Shares in Site Group International Limited, at fair value	300,000
Cash paid	100,000
Milestone Incentive – Equity issued at fair value	1,100,000
Contingent consideration – Incentive shares	1,000,000
Total consideration	**2,500,000**
Net cash acquired with the subsidiary	-
Cash paid	100,000
Net cash outflow	**100,000**

The goodwill recognised on the acquisition of Tesol is attributed to the expected benefits of commercialisation of the Tesol assets in the form of journal subscriptions, online learning and face to face courses and conferences. It is allocated to the corporate CGU and none of the recognised goodwill is expected to be deductible for income tax purposes.

From the date of acquisition (3 April 2014), Tesol has contributed $12,529 of revenue and $39,893 of net loss before tax to the Group. The company cannot reliably estimate what the contribution to revenue or to the result would have been if the combination had occurred at the beginning of the period, however note any contribution would not be material to the Site Group International consolidated result.

Transaction costs associated with the acquisition of Tesol of $9,224 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.

The Milestone Incentive equity and the contingent consideration equity are dependent on achieving Revenue of $7,000,000 and EBITDA of $1,500,000 for any calendar year ending on or before 31 December 2016.

Note 1c Business Combinations and acquisitions continued

Competent Project Management

On 5 May 2014, the Company announced to the market the completion of the acquisition by the Company of all of the issued share capital in Competent Project Management Pte Ltd (**CPM**) and related businesses. In order to facilitate the acquisition, the Company entered into a sale and purchase agreement with Philip David Costelloe, the holder of the 50,000 issued and fully paid ordinary shares in CPM, dated 1 May 2014. The acquisition has been accounted for using the acquisition method. The acquisition date fair value of the acquired business is preliminary and may be adjusted as a result of obtaining a formal valuation within 12 months in accordance with AASB 3 Business Combinations.

The provisional fair value of the identifiable assets and liabilities of CPM at the date of acquisition was:

	Fair value recognised on acquisition
	$
Assets	
Cash	400,751
Debtors	509,399
Property, plant and equipment	54,086
Security deposits	9,940
Intangible – customer contracts	243,000
	1,217,176
Liabilities	
Trade and other payables	431,805
Current tax liabilities	41,793
Deferred income tax liability	73,204
	546,802
Fair value of identifiable net assets	670,374
Goodwill arising from acquisition	4,013,495
Purchase consideration	4,683,869
Acquisition date fair value of purchase consideration transferred:	
Cash paid	540,423
Contingent consideration - Shares in Site Group International Limited, at fair value	2,780,867
Contingent consideration – Cash payable for working capital calculation	412,579
Contingent consideration – Shares in Site Group International Limited	950,000
Total consideration	**4,683,869**
Net cash acquired with the subsidiary	400,751
Cash paid	(540,423)
Net cash outflow	**(139,672)**

The goodwill recognised on the acquisition of CPM is attributed to the expected benefits of meeting the demand for competent and skilled personnel in the Oil, Gas and Energy sector and activities with Site's existing customer list and training business throughout Australia and South East Asia. It is allocated to the energy services CGU and none of the recognised goodwill is expected to be deductible for income tax purposes.

The fair value of receivables at acquisition is $509,399 which is also the gross contractual receivable . From the date of acquisition (1 May 2014),CPM has contributed $636,668 of revenue and $411,873 of net profit before tax to the Group. If the combination had taken place at the beginning of the year, CPM would have contributed $2,555,828 revenue and $683,970 of net profit before tax to the group.

Note 1c Business Combinations and acquisitions continued

Transaction costs of $1,909 associated with the acquisition of CPM 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.

Pursuant to the CPM Agreement, the consideration for the acquisition is as follows:

(a) an initial payment of USD$3,000,000 payable by way of:

(1) the issue of 19,863,340 of Shares to the CPM Vendor on or before completion (with a value of USD$2,500,000 at an agreed exchange rate of AUD/USD = 0.899 and an issue price of AUD$0.14) (**Initial CPM Shares**); and

(2) a cash payment of USD$500,000 payable at completion; and

(b) within 30 days from 30 June 2015, the issue to the CPM Vendor of the number of Shares calculated as (FY2015 EBITDA (or any consecutive 12 month period prior to) less USD$1,000,000)/ 30 day VWAP of Shares at 30 June 2015) (**CPM Milestone Shares**).

The initial CPM shares issued requires a minimum FY15 EBITDA of USD$1,000,000 and if this hurdle is not met these shares will be subject to buy back on a pro-rata scale. In addition the CPM Milestone Shares value is unlimited dependant on the FY2015 EBITDA. Based on management expectation, the full amount of the Initial CPM shares has been recognised as contingent consideration and the fair value of the contingent consideration for the CPM Milestone shares is estimated to be $950,000 . Significant unobservable valuation inputs are assumed probability adjusted EBITDA of $USD1,950,000 and a discount rate of 12%.

In addition the cash payable for the working capital calculation at 30 April 2014 is estimated to be $412,579.

Captain Cook College

On the 7 May 2014 the Company announced it had entered into a share sale agreement with Productivity Partners Pty Ltd trading as Captain Cook College (**Captain Cook**) and the Captain Cook Vendors to acquire all of the issued share capital of Captain Cook. Following approval at a general meeting of shareholders on 23 June 2014, the transaction was completed on 30 June 2014. The acquisition has been accounted for using the acquisition method. The acquisition date fair value of the acquired business is preliminary and may be adjusted as a result of obtaining a formal valuation within 12 months in accordance with AASB 3 Business Combinations.

The provisional fair value of the identifiable assets and liabilities of Captain Cook as at the date of acquisition was:

	Fair value recognised on acquisition $
Assets	
Cash	753,576
Debtors	142,280
Property, plant and equipment	17,825
Security deposits	32,870
Intangible - licences	923,000
Intangible - brand	73,000
	1,942,551

Liabilities	
Trade and other payables	660,798
Provisions	86,434
Deferred income tax liability	276,900
	1,024,132
Fair value of identifiable net assets	918,419
Goodwill arising from acquisition	14,469,883
Purchase consideration	15,388,302

Acquisition date fair value of purchase consideration transferred:	
Shares in Site Group International Limited, at fair value	6,500,000
Cash paid	3,188,302
Contingent consideration	5,700,000
Total consideration	**15,388,302**

Net cash acquired with the subsidiary	753,576
Cash paid	(3,188,302)
Net cash outflow	**(2,434,726)**

The goodwill recognised on the acquisition of Captain Cook is attributed to the expected benefits of combining its existing Vet Fee Help course offering with Site's existing training and assessment infrastructure in Australia. It is allocated to the professional courses CGU and none of the recognised goodwill is expected to be deductible for income tax purposes.

As the date of completion of the acquisition was 30 June 2014, Captain Cook has not contributed any revenue or profit to the Group. If the combination had taken place at the beginning of the year, Productivity Partners Pty Ltd would have contributed $10,504,488 of revenue and $2,049,797 of net profit before tax to the group.

Transaction costs of $493,334 associated with the acquisition of Captain Cook 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.

Pursuant to the Captain Cook Agreement, the consideration for the acquisition of the issued share capital of Captain Cook is comprised of the following:

(a) an initial payment at completion of $9,750,000 adjusted in accordance with the terms of the Captain Cook Agreement and payable by way of:

  (1) the issue of 46,428,572 Shares to the Captain Cook Vendors in proportion to their existing shareholding in Captain Cook; and

  (2) a cash payment of $3,250,000 adjusted in accordance with the terms of the Captain Cook Agreement and payable to the Captain Cook Vendors in proportion to their existing shareholding in Captain Cook; and

(b) an earn out payment equal to the EBIT of Captain Cook for the 12 months ending 30 June 2015.

As at the acquisition date, the fair value of the contingent consideration was estimated to be $5,700,000. Significant unobservable valuation inputs are assumed probability-adjusted EBIT of Productivity Partners Pty Ltd of $6,200,000 and a discount rate of 12%.

Significant increase (decrease) in the profit after tax of Captain Cook would result in higher (lower) fair value of the contingent consideration liability, while significant increase (decrease) in the discount rate and own non-performance risk would result in lower (higher) fair value of the liability.

Note 1c Business Combinations and acquisitions continued

Acquisitions in 2013

Axis Training Group Pty Ltd

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:

	Fair value recognised on acquisition $
Assets	
Cash	47,292
Debtors	104,191
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.

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.

	2014	2013
	$	**$**
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current assets	24,772,818	20,415,714
Non-current assets	21,316,850	313,970
TOTAL ASSETS	46,089,668	20,729,684
LIABILITIES		
Current liabilities	1,249,208	385,491
Non-current liabilities	9,843,446	-
TOTAL LIABILITIES	11,092,654	385,491
NET ASSETS	34,997,014	20,344,193
EQUITY		
Issued capital	43,665,354	25,675,842
Retained earnings/(losses)	(9,667,004)	(5,906,195)
Share option reserve	998,664	574,546
TOTAL EQUITY	34,997,014	20,344,193
STATEMENT OF COMPREHENSIVE INCOME		
Total profit/(loss) of the parent entity	(3,760,809)	(3,142,150)
Total comprehensive loss of the parent	(3,760,809)	(3,142,150)

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 2014	2013
Revenue from continuing operations		$	$
Revenue			
Student Payments		15,173,183	10,400,321
Placement Services		877,581	2,107,759
Government subsidies received	3(a)	332,830	357,870
Project Income		636,404	-
Other revenue		294,377	94,599
		17,314,375	12,960,549
Interest revenue from:			
— directors		-	-
— other persons		42,975	54,713
Total interest revenue on financial assets not at fair value through profit or loss		42,975	54,713

(a) In June 2014 the company received an Export Market Development Grant of $57,052 (2013:$99,604) 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

	Consolidated Group	
	2014	2013
Employee benefits expense	$	$
Wages and salaries	5,415,250	4,613,664
Superannuation expense	451,431	402,132
Payroll tax and workers compensation	506,237	23,424
Annual and long service leave	73,246	61,906
Other employment expenses	248,683	87,031
Share-based payment expense	424,118	155,968
	7,118,965	5,344,125
Other expenses		
Legal, accounting and other professional fees	308,742	377,564
Travel & accommodation	551,352	599,168
Marketing expense	451,397	390,725
Consultants cost	784,729	1,361,802
Transaction costs	771,014	18,339
Other	1,259,679	1,129,387
	4,126,913	3,876,985
Finance costs		
Interest expense - third parties	9,728	8,077
Interest expense - related parties (Wayburn Holdings)	2,568	70,466
Facilities fee	7,236	8,632
	19,532	87,175

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 2014.
The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group	
	2014	2013
	$	$
Short-term employee benefits	996,043	996,425
Post-employment benefits	58,156	57,118
Other long term benefits	-	-
Share-based payments	236,070	68,832
	1,290,269	1,122,375

Note 6 Auditors' Remuneration

	Consolidated Group	
	2014	2013
	$	$
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	140,130	109,278
— taxation services	58,348	23,398
	198,478	132,676
Remuneration of other EY auditors of subsidiaries for:		
— auditing or reviewing the financial statements of subsidiaries	24,371	30,447

Note 7 Earnings per Share

	Consolidated Group	
	2014	2013
	$	$
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	(6,487,117)	(5,821,405)
Net profit/(loss) attributable to ordinary equity holders of the parent	(6,487,117)	(5,821,405)
b) Weighted average number of shares	No.	No.
Weighted average number of ordinary shares for basic and diluted earnings per share	357,783,939	303,009,777
c) Earnings (loss) cents per share	(1.81)	(1.92)

There are no options outstanding at 30 June 2014 (5,675,000 at 30 June 2013).
The options were anti dilutive due to the company making operating losses.

Note 8 Cash and Cash Equivalents

	Consolidated Group	
	2014	2013
	$	$
Cash at bank and in hand	3,142,971	1,465,584
	3,142,971	1,465,584

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

	3,142,971	1,465,584
	3,142,971	1,465,584

Note 9 Trade and Other Receivables

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
CURRENT			
Trade receivables		2,944,659	2,378,248
Provision for impairment	9(a)	(426,753)	(157,692)
		2,517,906	2,220,556
Other receivables		1,116,705	753,263
Total current trade and other receivables		3,634,611	2,973,819

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 2014 $	Consolidated Group 2013 $
Opening Balance	157,692	74,048
Charge for the year	269,061	83,644
Amounts written off	-	-
Closing Balance	426,753	157,692

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 2014						
Trade receivables	2,944,659	1,221,213	280,715	531,680	484,298	426,753
Other receivables	1,116,706	1,040,382	76,324	-	-	-
Total	4,061,365	2,261,595	357,039	531,680	484,298	426,753
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

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

b) Financial Assets Classified as Loans and Receivables

See Note 27 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 26.

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 27.

Notes to the Financial Statements for the Year Ended 30 June 2014 continued

Note 10 Inventory

	Consolidated Group 2014 $	Consolidated Group 2013 $
CURRENT		
Finished goods at cost	55,289	44,206
Total inventories at the lower of cost and net realisable value	55,289	44,206

Note 11 Controlled Entities

a) Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)* 2014	Percentage Owned (%)* 2013
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%	100%
Romea Consulting Pty Ltd	Australia	100%	0%
Competent Project Management Pte Ltd	Singapore	100%	0%
Competent Project Management Sdn Bhd	Malaysia	100%	0%
Productivity Partners Pty Ltd	Australia	100%	0%

* Percentage of voting power is in proportion to ownership

Note 12 Property, Plant and Equipment

	Consolidated Group 2014 $	Consolidated Group 2013 $
PLANT AND EQUIPMENT		
Leasehold Improvements		
At Cost	6,120,742	5,700,454
(Accumulated depreciation)	(839,279)	(564,977)
Net carrying amount - leasehold improvements	5,281,463	5,135,477
Capital works in Progress		
At Cost	784,700	33,658
Computers		
At cost	470,415	353,655
(Accumulated depreciation)	(323,833)	(209,553)
Net carrying amount - computers	146,582	144,102
Furniture and fittings		
At cost	3,237,567	2,475,487
(Accumulated depreciation)	(1,962,689)	(1,087,510)
Net carrying amount - furniture and fittings	1,274,878	1,387,977
Vehicles		
At cost	426,016	336,115
(Accumulated depreciation)	(219,009)	(140,642)
Net carrying amount - vehicles	207,007	195,473
Total property, plant and equipment	7,694,630	6,896,687

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 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
Additions	175,460	751,042	78,771	410,017	82,605	1,497,895
Acquistion of subsidiaries	41,111		22,981	31,610	26,296	121,998
Transfers - in (out)	-	-	-	-	-	-
Disposals	-	-	-	(48,351)	(26,296)	(74,647)
Depreciation expense	(252,226)	-	(99,272)	(526,288)	(74,121)	(951,907)
Exchange rate differences	181,641	-	-	19,913	3,050	204,604
Balance at 30 June 2014	5,281,463	784,700	146,582	1,274,878	207,007	7,694,630

Note 13 Intangible Assets

	Consolidated Group 2014 $	Consolidated Group 2013 $
(i) Current		
Pre-paid service and employment services		
Cost	162,450	162,450
Total current intangible assets	162,450	162,450
(ii) Non-Current		
Goodwill		
Cost	21,180,413	197,035
Accumulated impaired losses	-	-
Net carrying value	21,180,413	197,035
Training licences and course material		
Cost	1,952,688	873,751
Accumulated amortisation	(604,560)	(283,396)
Net carrying value	1,348,128	590,355
Licences		
Cost	923,000	-
Accumulated amortisation	-	-
Net carrying value	923,000	-
Customer contracts		
Cost	243,000	-
Accumulated amortisation	(27,000)	-
Net carrying value	216,000	-
Brand		
Cost	73,000	-
Accumulated impaired losses	-	-
Net carrying value	73,000	-
Pre-paid Service and Employment Services		
Cost	487,350	487,350
Accumulated amortisation	(433,200)	(270,750)
Net carrying value	54,150	216,600
Total non-current intangible assets	23,794,691	1,003,990
Total intangible assets	23,957,141	1,166,440

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	Licences	Customer Contracts	Brand	Total
	$	$	$	$	$	$	$
Consolidated Group:							
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
Additions	-	58,482	-	-	-	-	58,482
Acquisition of subsidiaries	20,983,378	1,019,096	-	923,000	243,000	73,000	23,241,474
Impairments	-	-	-	-	-	-	-
Amortisation expense	-	(320,090)	(162,450)	-	(27,000)	-	(509,540)
Exchange rate differences	-	285	-				285
Balance at 30 June 2014	21,180,413	1,348,128	216,600	923,000	216,000	73,000	23,957,141

b) Impairment

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

The recoverable amount of goodwill and brand name is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of future cash flow projections over a 5 year period including a terminal value calculation where applicable. The growth rate used in the value in use calculation for the Energy services CGU and the professional courses CGU was 0% after a significant ramp up in FY2015 and the pre-tax discount rate was 12%. The growth rate used for Tesol Asia group was 50% for 2 years and then decreasing to 25% reflecting the size and stage of growth of the business and the size of the English education market throughout Asia. The value in use calculations have been based on budgets for each reporting segment. The balance of goodwill and brand name is allocated to the respective Cash Generating Units as per Note 1c . The terminal growth rate applied is 0%.

The calculation of value in use for the CGU's is most sensitive to the gross margins and the FY2015 growth rates. Gross margins are assumed to be maintained at historical levels. The FY2015 for the professional courses CGU is based on integration into existing facilities and expansion of new facilities. Other than the earn outs and milestone shares, 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

	Consolidated Group	
	2014	2013
	$	$
NON-CURRENT FINANCIAL ASSETS		
Investments - unlisted	80,827	16,046
	80,827	16,046

Note 15 Trade and Other Payables

	Consolidated Group	
	2014	2013
	$	$
Unsecured liabilities		
Trade payables	2,301,843	884,431
Amounts payable to:		
— Employee related payables	300,259	179,338
— Unearned income	48,543	195,203
— Accruals	1,089,838	272,573
— Other Payables	50,126	42,348
Total trade and other payables	3,790,609	1,573,893

(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 26.

(c) Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in note 27.

Note 16 Interest Bearing Debt

(i) Current financial liabilities

	Consolidated Group	
	2014	2013
	$	$
Finance Lease Liability due within 12 months	34,834	4,953
	34,834	4,953

Refer to note 26(d) for details of the undrawn related party debt facility.

(ii) Non-current financial liabilities

	Consolidated Group	
	2014	2013
	$	$
Finance Lease Liability	72,302	19,364
	72,302	19,364

Note 17 Taxation

	Consolidated Group 2014 $	Consolidated Group 2013 $
a) Income tax expense		
The major components of income tax expense are:		
Statement of comprehensive income		
Current income tax		
Current income tax charge	53,782	-
Adjustments in respect of current income tax of previous years	-	-
Deferred income tax		
Relating to origination and reversal of timing differences	(8,100)	-
Income tax expense / (benefit) reported in the statement of comprehensive income	45,682	-

	2014 $	2013 $
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	(6,441,435)	(5,821,405)
At the parents entity's statutory income tax rate of 30% (2013 - 30%)	(1,932,430)	(1,746,422)
Deferred tax asset not recognised	1,932,430	1,746,422
Amortisation of customer contracts	(8,100)	-
Tax recognised on profit in overseas subsidiary at local tax rate	53,782	-
	45,682	-
Aggregate income tax expenses attributed to: Continuing operations	45,682	-
	45,682	-
The applicable weighted average effective tax rates are:	-	-

	2014 $	2013 $
c) Tax liabilities		
CURRENT		
Income tax payable	159,437	17,494
TOTAL	159,437	17,494
NON-CURRENT		
Deferred tax liability	-	-
Acquisition of subsidiaries	350,074	-
Amortisation of intangibles	(8,100)	-
Balance as at 30 June	341,974	-

	2014 $	2013 $
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 $8.9 million (2013: $7.0 million) in relation to tax losses due to the uncertainty of timing for the realisation of these losses against future profits.

Notes to the Financial Statements for the Year Ended 30 June 2014 continued

Note 18 Provisions

	Consolidated Group 2014 $	Consolidated Group 2013 $
CURRENT		
Employee - Annual Leave	287,528	191,345
Other	14,886	13,172
Balance at 30 June	302,414	204,517

(a) Movement in provisions

Movements in provisions 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
Arising during the year	14,886	14,886
Utilised	(13,172)	(13,172)
At 30 June 2014	14,886	14,886

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

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
NON CURRENT			
Provision for pension liability	18(b)	42,302	19,913
Provision for long service leave		19,949	-
Provision for lease rental incentive	18(d)	1,546,941	1,376,769
		1,609,192	1,396,682

(b) Movement in provisions

Movements in provisions are set out below:

	Lease Rental	Pension Liability	Long Service Leave	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
Arised during the year	575,584	22,389	-	597,973
Acquistion of subsidiaries	-	-	19,949	19,949
Utilised/Provision Released	(405,412)	-	-	(405,412)
At 30 June 2014	1,546,941	42,302	19,949	1,609,192

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

	Consolidated Group	
	2014	2013
	$	$
Current	302,414	204,517
Non-current	1,609,192	1,396,682
	1,911,606	1,601,199

(d) Lease Rental Incentive

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

Note 19 Contingent Consideration Liability

	Consolidated Group	
	2014	2013
	$	$
Payable in Equity	8,530,867	-
Payable in Cash	2,312,579	-
	10,843,446	-

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

Note 20 Issued Capital

	Consolidated Group 2014 $	Consolidated Group 2013 $
479,633,405 fully paid ordinary shares (2013: 330,700,034)	56,193,357	37,852,532
Cost of Capital Raising	(2,055,280)	(1,703,968)
	54,138,077	36,148,564

(a) Ordinary Shares

	No. Shares	$
At 1 July 2012	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
Share issue - 2 August 2013	3,000,000	-
Share issue - 6 September 2013	4,650,000	-
Share issue - 13 November 2013	2,835,870	382,842
Share issue - 13 November 2013	300,000	-
Share buy back - 19 November 2013	(6,630,000)	-
Share issue - 6 December 2013	2,000,000	270,000
Share issue - 6 December 2013	3,000,000	-
Share issue - 13 January 2014	33,485,590	4,687,983
Share issue - 9 April 2014	9,999,999	1,400,000
Share issue - 13 June 2014	30,000,000	5,100,000
Share issue - 18 June 2014	19,863,340	-
Share issue - 30 June 2014	46,428,572	6,500,000
Transaction costs relating to capital raising		(351,312)
30 June 2014 share capital	479,633,405	54,138,077

Notes to the Financial Statements for the Year Ended 30 June 2014 continued

Note 20 Issued Capital continued

- 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 placement at $0.135 per share.
- On 2 August 2013 the company issued 3,000,000 sign on and bonus shares at no cost to employees in lieu of cash based remuneration and allowing management to participate in the growth of Site Group International Limited as shareholders.
- On 6 September 2013 4,650,000 shares were issued under the Employee Share Plan. The nature of the share plan results in the shares being valued as if they 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 13 November 2013 following approval at the Annual General Meeting, the company issued 2,835,870 shares to the Chairman and CEO at $0.135 per share as part of their participation in the placement completed on 5 April 2013.
- On 13 November 2013 following approval at the Annual General Meeting, the company issued a further 300,000 shares under the Employee Share Plan as per the issue on the 6 September 2013.
- On 19 November 2013, the company completed a buy-back of shares issued under the Employee Share Plan and sign on shares forfeited by employees when they resigned from the group.
- On 6 December 2013 under the terms of the acquisition agreement for Romea Consulting Pty Ltd, the company issued 2,000,000 shares to the vendor shareholder at the issue price of $0.135 per share. In addition 3,000,000 shares were issued at nil consideration and escrowed for certain employees of Romea to be awarded on the completion of milestone performance requirements.
- On 13 January 2014 the company completed a fully underwritten rights issue and issued 33,485,590 at $0.14 per share.
- On 9 April 2014 under the terms of the acquisition agreement for TESOL Asia group, the company issued 9,999,999 shares to the vendor at the issue price of $0.14 per share.
- On 13 June 2014, the company completed the issue of 30,000,000 shares under a private placement of shares at $0.17 per share.
- On 18 June 2014, under the terms of the acquisition agreement for Competent Project Management, the company issued 19,863,340 shares to the vendor at $0.14 per share. As this amount is subject to a buy back on a pro rata basis should the FY15 EBIT be less than $1,000,000, this amount has been recognised as part of the contingent consideration within non-current liabilities.
- On 30 June 2014, under the terms of the acquisition agreement for Productivity Partners Pty Ltd, the company issued 46,428,572 shares to the vendors at $0.14 per share.

Note 20 Issued Capital continued

b) Options

i. For information relating to the Site Group International Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end. Refer to Note 24: Share-based Payments.

ii. For information relating to share options issued to key management personnel during the financial year. Refer to Note 24: 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 with the ability to drawdown on a $4 million finance facility where required.

During 2014, 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 21 Capital and Leasing Commitments

	Consolidated Group	
	2014	2013
	$	$
(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	1,480,537	1,181,346
between 12 months and 5 years	2,960,408	3,647,554
greater than 5 years	7,577,730	8,071,930
	12,018,675	12,900,830

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

In 2012 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 options to renew. Captain Cook has 1 year leases for premises at Chermside and Nundah on rolling terms. Competent Project Management has a two year lease at Johor in Malaysia. All of the leases grant options for renewal at expiration of the current lease.

Note 21 Capital and Leasing Commitments continued

(b) Finance Lease

The group entered into finance leases for the acquisition of motor vehicles 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:

	2014		2013	
	$	$	$	$
	Minimum Payments	Present Value of payments	Minimum Payments	Present Value of payments
Payable — lease payments				
not later than 12 months	39,784	33,860	7,699	6,464
between 12 months and 5 years	81,262	61,789	21,965	18,754
greater than 5 years	-	-	-	-
	121,046	95,649	29,664	25,218

Note 22 Operating Segments

Site Group International Limited has expanded its business into five separate units based on the products and services offered – the Directors and Executive Management of the company review the results on this basis.

The five 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, 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.
- **Energy Services** relates to the establishment of specialised Energy training and services delivered to the Oil and Gas industry.
- **Professional Courses** relates to the delivery of Diploma level courses at an expanding number of premises around Australia.

The Directors and Executive Management monitor 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.

Notes to the Financial Statements for the Year Ended 30 June 2014 continued

Note 22 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 2014

	Site Skills Training	Site WorkReady	Site Skills Training CFZ	Energy Services	Professional Courses	Total Segments	Corporate and Eliminations	Total
	$	$	$	$	$	$	$	$
Revenue								
Sales revenue - External customer	10,847,959	886,347	4,633,093	1,261,760	-	17,629,159	(314,784)	17,314,375
Sales revenue - Inter-segment	-	-	11,374	-	-	11,374	(11,374)	-
Total segment revenue	10,847,959	886,347	4,644,467	1,261,760	-	17,640,533	(326,158)	17,314,375
						-		
Segment net operating profit/ (loss) after tax	**(856,605)**	**(651,693)**	**(1,234,455)**	**102,050**	**-**	**(2,640,703)**	**(3,846,414)**	**(6,487,117)**
Interest revenue	27	-	3,370	-	-	3,397	39,578	42,975
Interest expense	(7,171)	(61)	(123)	(794)	-	(8,149)	(11,383)	(19,532)
Depreciation and amortisation	(551,452)	(1,016)	(550,435)	(122,908)	-	(1,225,811)	(247,363)	(1,473,174)
Income tax expense	(1,744)	-	-	(52,038)	-	(53,782)	8,100	(45,682)
EBITDA	**(296,265)**	**(650,616)**	**(687,267)**	**277,790**	**-**	**(1,356,358)**	**(3,635,346)**	**(4,991,704)**
Segment assets	4,089,242	230,188	6,300,569	7,032,537	16,412,100	34,064,636	5,371,936	39,436,572
Segment liabilities	990,671	110,494	2,242,226	735,485	826,837	4,905,713	12,248,495	17,154,208
Capital expenditure	809,931	1,105	429,952	214,759	-	1,455,747	42,148	1,497,895

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	3,656,606	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 and amortisation	(477,344)	(266)	(524,300)	(1,001,910)	(235,943)	(1,237,853)
Income tax expense	-	-	-	-	-	-
EBITDA	**(699,891)**	**(342,043)**	**(824,981)**	**(1,866,915)**	**(2,684,175)**	**(4,551,090)**
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

Note 22 Operating Segments continued

	Consolidated Group 2014 $	Consolidated Group 2013 $
Reconciliation of loss		
Segment loss	(2,640,703)	(2,872,673)
Head office occupancy costs	(291,790)	(205,833)
Corporate employee benefits including Directors	(1,779,838)	(1,407,681)
Legal accounting and other professional fees	(1,019,303)	(280,600)
Travel costs	(180,907)	(249,981)
Other corporate costs	(574,576)	(804,637)
Group Loss	(6,487,117)	(5,821,405)
Reconciliation of assets		
Segment operating assets	34,064,636	11,012,624
Cash at bank	1,867,912	1,159,667
Security deposits	440,640	695,482
Intangibles	2,716,601	576,086
Other assets	346,783	27,141
Group operating assets	39,436,572	13,471,000
Reconciliation of liabilities		
Segment operating liabilities	4,905,713	2,976,258
Corporate trade payables	1,310,698	-
Contingent consideration liability	10,843,446	-
Other liabilities	94,351	240,645
Group operating liabilities	17,154,208	3,216,903

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

Year ended 30 June 2014

	Australia $	Asia $	Eliminations $	Total $
Revenue				
Sales revenue - External	11,993,668	5,635,491	(314,784)	17,314,375
Sales revenue - Inter segment	-	11,374	(11,374)	-
Total segment revenue	11,993,668	5,646,865	(326,158)	17,314,375
Segment net operating profit/ (loss) after tax	(5,617,660)	(869,457)	-	(6,487,117)
Non-current assets	21,773,474	9,715,847	-	31,489,321

Year ended 30 June 2013

	Australia $	Asia $	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

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

Note 23 Cash Flow Information

	Consolidated Group 2014 $	2013 $
Reconciliation of net profit/(loss) after tax to net cash flows from operations		
Profit (Loss) after income tax expense	(6,487,117)	(5,821,405)
Non cash items		
Depreciation and amortisation	1,473,174	1,237,853
Foreign exchange (gain)/ loss	(42,738)	(8,306)
Movement in provision for employee entitlements	112,924	75,079
Share based payments expense	424,118	155,968
Doubtful debts expense	269,061	83,644
Net (profit)/loss on sale of PPE	23,800	-
	(4,226,778)	(4,277,167)
Change in assets and liabilities		
(Increase)/Decrease in receivables	(481,619)	(1,548,308)
(Increase)/Decrease in inventory	(9,308)	3,799
Increase/(Decrease) in payables and accruals	1,012,500	147,243
Increase/(Decrease) in provisions	211,877	67,144
Other Working Capital Movements	(44,916)	110,966
Net cash from / (used in) operating activities	(3,538,244)	(5,496,323)

Note 24 Share Based Payments

(a) Recognised share-based payment expenses

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

	Consolidated Group 2014 $	2013 $
Share options expense		
Expense/(write back) arising from equity-settled share-based payments	(19,790)	(44,068)
Employee services		
Expense arising from the amortisation of employee sign on and bonus shares	274,000	37,744
Expense arising form the amortisation of employee milestone shares	98,322	87,883
Expense arising from the amortisation of the Employee Share Plan	71,586	74,409
Total expense arising from share based payment transactions	424,118	155,968

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

Note 24 Share Based Payments continued

Employee Share plan	Issued 9 May 2012		Issued 6 September 2013	
	Tranche 1 Escrowed for 12 Months	Tranche 2 Escrowed for 24 Months	Tranche 1 Escrowed for 12 Months	Tranche 2 Escrowed for 24 Months
Number of shares issued	3,015,000	3,015,000	2,475,000	2,475,000
Price paid per share	$0.20	$0.20	$0.20	$0.20
Discount to market price at time of issue	-	-	-	-
Market price of shares at grant date	$0.16	$0.16	$0.12	$0.12
Expected volatility	52.25%	52.25%	52.25%	52.25%
Risk free interest rate	3.75%	3.75%	3.75%	3.75%
Dividend yield	0.0%	0.0%	0.0%	0.0%
Escrow period of shares	12 months	24 months	12 months	24 months

(b) Share Option Plan (SOP)

There were no employee options outstanding at 30 June 2014. All options expired 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 2012	5,675,000	$	0.25
Expired	-		
Options outstanding 30 June 2013	5,675,000	$	0.25
Expired	(5,675,000)	$	0.25
Options outstanding 30 June 2014	-		-

Note 25 Events after the Reporting Period

On 1 August 2014, the company increased the Wayburn loan facility to $4 million on the same terms.

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

Note 26 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:

	Consolidated Group	
	2014	2013
	$	$
Key Management Personnel		
Underwriting fee*		
Underwriting fee paid to Wayburn Holdings	95,639	-
Rent paid**		
Rent paid to associate of key management personal	-	44,313

* The company paid an underwriting fee to Wayburn Holdings, a company associated with Vernon Wills as consideration for underwriting the rights issue completed on the 13 January 2014, whereby the company issued 33,485,590 shares at $0.14 per share

**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.

Notes to the Financial Statements for the Year Ended 30 June 2014 continued

Note 26 Related Party Transactions continued

(c) Amounts outstanding from related parties

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

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

(d) Loans from related parties

On 3rd May 2012 Wayburn Holdings Pty Ltd, a company associated with Managing Director and CEO Mr Vernon Wills established an unsecured loan facility for $2.0 million. The interest rate of 7.0% per annum on the drawn component calculated and credited monthly. The facility was for a 12 month term and was repaid by the company prior to 30 June 2013. On 26 August 2013, the company renewed this facility with Wayburn Holdings Pty Ltd on the same terms for a 12 month terms to 31 August 2014 and then on 5 February 2014, renewed again out to 31 August 2015. In December 2013 the company drew down $500,000 from the loan facility. The balance was repaid in full on 13 January 2014. Interest charged on the loan was $2,568 to 30 June 2014 (2013: $70,466). On 1 August 2014, the company increased the facility to $4 million on the same terms out to 31 August 2015.

Note 27 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 2014 $	Consolidated Group 2013 $
Financial assets			
Cash and cash equivalents	8	3,142,971	1,465,584
Loans and receivables	9	3,634,611	2,973,819
Other non-current financial assets	14	80,827	16,046
Total financial assets		6,858,409	4,455,449
Financial liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	15	3,790,609	1,573,893
— Borrowings	16	34,834	4,953
Non-current contingent consideration	19	10,843,446	-
Non-current interest bearing debt	16	72,302	19,364
Total financial liabilities		14,741,191	1,598,210

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

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Financial liabilities due for payment								
Trade and other payables	3,790,609	1,573,893	-	-	-	-	3,790,609	1,573,893
Borrowings	34,834	4,953	-	-	-	-	34,834	4,953
Contingent consideration	-	-	10,843,446	-	-	-	10,843,446	-
Other non-current financial liabilities	-	-	72,302	19,364	-	-	72,302	19,364
Total expected outflows	3,825,443	1,578,846	10,915,748	19,364	-	-	14,741,191	1,598,210
Financial assets - cash flows realisable								
Cash and cash equivalents	3,142,971	1,465,584	-	-	-	-	3,142,971	1,465,584
Loans and receivables	3,634,611	2,973,819	-	-	-	-	3,634,611	2,973,819
Other non-current financial assets	-	-	80,827	16,046	-	-	80,827	16,046
	6,777,582	4,439,403	80,827	16,046	-	-	6,858,409	4,455,449
Net (outflow)/inflow	2,952,139	2,860,557	(10,834,921)	(3,318)	-	-	(7,882,782)	2,857,239

Note 27 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:

	Consolidated Group	
	2014	2013
Financial Assets	$	$
Cash and Cash Equivalents	3,142,971	1,465,584

	Post Tax Profit higher / (lower)		Other Comprehensive Income higher / (lower)	
	2014	2013	2014	2013
Consolidated	$	$	$	$
+ 1% (100 basis points)	23,043	10,260	-	-
- .5% (50 basis points)	(11,521)	(5,130)	-	-

(c) Foreign currency risk

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

	Consolidated Group	
	2014	2013
	$	$
Financial assets		
Cash and cash equivalents	707,468	163,829
Loans and receivables	1,227,699	633,698
Total Financial Assets	1,935,167	797,527
Financial liabilities		
Financial liabilities at amortised cost		
— Trade and other payables	(1,014,640)	(395,390)
Total financial liabilities	(1,014,640)	(395,390)
Net exposure	920,527	402,137

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

	Post tax profit higher / (lower)		Other comprehensive income higher / (lower)	
	2014	2013	2014	2013
	$	$	$	$
Consolidated				
USD Rate+15%	32,735	(52,441)	-	-
USD Rate-15%	(24,195)	70,950	-	-
PhP Rate +15%	(51,397)	(52,453)	-	-
PhP Rate -15%	37,989	70,965	-	-
SGD Rate +15%	(23,666)	-	-	-
SGD Rate -15%	17,492	-	-	-
MYR Rate +15%	146,749	-	-	-
MYR Rate -15%	(108,467)	-	-	-
PGK Rate +15%	58,025	-	-	-
PGK Rate -15%	(42,888)	-	-	-

Note 27 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 28 Retained Earnings/ (Losses) and Reserves

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

	Consolidated Group	
	2014	2013
	$	$
Balance 1 July	(27,119,539)	(21,298,134)
Net loss for the period	(6,487,117)	(5,821,405)
Other comprehensive loss	(12,531)	-
Balance 30 June	(33,619,187)	(27,119,539)

(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
Foreign currency translation	-	114,284	114,284
Share based payment	424,118	-	424,118
At 30 June 2014	998,664	764,810	1,763,474

(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 24 for further details on this plan.

Notes to the Financial Statements for the Year Ended 30 June 2014 continued

Note 29 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

Productivity Partners trading as Captain Cook Colleges

- 90 Kittyhawk Drive, Chermside QLD 4032
- 18 Banfield Street, Chermside QLD 4032
- 82 Buckland Road, Nundah QLD 4012
- 333 Adelaide Street, Brisbane QLD 4000
- 29-37 Bellevue Street, Surry Hills NSW 2010
- 2092 Logan Road, Upper Mt Gravatt QLD 4122
- 133 Cunningham Street, Dalby QLD 4405

Competent Project Management

- 146, Robinson Road #12-01, Singapore 068909
- 17G, Jalan Hijauan 3, Horizon Hills, 79100 Nusajaya, Johor

Directors' Declaration

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

1. In the opinion of directors:

   a) the financial statements and notes of Site Group International Limited for the financial year ended 30 June 2014 are 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 2014 and of its performance for the year ended on that date; and

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

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

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

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2014.

On behalf of the Board

Vernon Wills
Director

Brisbane 29 August 2014

Building a better
working world

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

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ey.com/au

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 2014, 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 2014 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 25 of the directors' report for the year ended 30 June 2014. 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 2014 complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Ric Roach
Partner
Brisbane
29 August 2014

Shareholder Information

1 Twenty Largest Shareholders

(i) Ordinary Shares Inclusive of Escrowed Ordinary Shares

As at 15 August 2014, there are 383,687,258 ordinary shares and an additional 98,090,861 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 + MS JILLAINE PATRICE WILLS	43,765,703	9.08
TALBOT GROUP INVESTMENTS PTY LTD	42,171,121	8.75
CITICORP NOMINEES PTY LIMITED	40,936,691	8.50
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS <WILLS FAMILY SUPER FUND A/C>	29,039,188	6.03
JGC ASSETS PTY LTD <THE JUDI COOK A/C>	25,535,714	5.30
CAMERON RICHARD PTY LTD <LPS P/L NO5 EXEC B/PLAN A/C>	20,712,500	4.30
WAYBURN HOLDINGS PTY LTD	18,315,317	3.80
PHILIP DAVID COSTELLOE	15,890,672	3.30
CAMERON RICHARD PTY LTD <LPS PL NO 5 EXEC B/PLAN A/C>	13,819,680	2.87
SMITHLEY SUPER PTY LTD <SMITH SUPER FUND A/C>	11,407,000	2.37
PAUL ROBERTSON	9,999,999	2.08
LINWIERIK SUPER PTY LTD <LINTON SUPER FUND A/C>	9,677,800	2.01
SMITHLEY SUPER PTY LTD <SMITH SUPER FUND A/C>	7,523,000	1.56
COMPANY FILES SEQ PTY LTD <COOK FAMILY COMPANY A/C 2>	6,964,286	1.45
HDDSA PTY LTD <THE HDDSA FAMILY A/C>	6,964,286	1.45
RYDEN ENTERPRISES PTY LTD <THE IAN COOK A/C>	6,964,286	1.45
LINWIERIK SUPER PTY LTD <LINTON SUPER FUND A/C>	6,561,629	1.36
GANBROS PTY LTD <THE GANIM FAMILY ACCOUNT>	6,293,980	1.31
CRAFT LAW PTY LTD <FORSTER SUPER FUND A/C>	5,821,107	1.21
MANCORP DEVELOPMENT HOLDINGS PTY LTD <THE ILFOR A/C>	5,636,475	1.17

(ii) Ordinary Shares

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

Name	No. of Ordinary Shares Held	% of fully paid shares
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS	43,765,703	11.41
TALBOT GROUP INVESTMENTS PTY LTD	42,171,121	10.99
CITICORP NOMINEES PTY LIMITED	40,936,691	10.67
MR VERNON ALAN WILLS + MS JILLAINE PATRICE WILLS <WILLS FAMILY SUPER FUND A/C>	29,039,188	7.57
CAMERON RICHARD PTY LTD <LPS P/L NO5 EXEC B/PLAN A/C>	20,712,500	5.40
WAYBURN HOLDINGS PTY LTD	18,315,317	4.77

Name	No. of Ordinary Shares Held	% of fully paid shares
CAMERON RICHARD PTY LTD <LPS PL NO 5 EXEC B/PLAN A/C>	13,819,680	3.60
SMITHLEY SUPER PTY LTD <SMITH SUPER FUND A/C>	11,407,000	2.97
LINWIERIK SUPER PTY LTD <LINTON SUPER FUND A/C>	9,677,800	2.52
SMITHLEY SUPER PTY LTD <SMITH SUPER FUND A/C>	7,523,000	1.96
LINWIERIK SUPER PTY LTD <LINTON SUPER FUND A/C>	6,561,629	1.71
GANBROS PTY LTD <THE GANIM FAMILY ACCOUNT>	6,293,980	1.64
CRAFT LAW PTY LTD <FORSTER SUPER FUND A/C>	5,821,107	1.52
MANCORP DEVELOPMENT HOLDINGS PTY LTD <THE ILFOR A/C>	5,636,475	1.47
SUNTANEOUS PTY LTD <GB CLIENTS EMP S/F A/C>	5,425,000	1.41
MYALL RESOURCES PTY LTD <MYALL GROUP SUPER FUND A/C>	5,100,000	1.33
EMANCIPAYTE PTY LTD <BIESSE FAMILY A/C>	4,344,312	1.13
MR KEVIN CHALES HILL + MRS LYNETTE MARIE HILL	4,000,000	1.04
DCEC PTY LTD <SOMERFAM SUPER FUND A/C>	3,575,045	0.93
GRAY LANE HOLDINGS PTY LTD <VOIGT FAMILY A/C>	3,300,000	0.86

(iii) Escrowed Shares

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

Name	No. of Escrowed Shares Held	% of escrowed shares
JGC ASSETS PTY LTD	25,535,714	26.28
PHILIP DAVID COSTELLOE	15,890,672	16.35
PAUL ROBERTSON	9,999,999	10.29
COMPANY FILES SEQ PTY LTD	6,964,286	7.17
HDDSA PTY LTD	6,964,286	7.17
RYDEN ENTERPRISES PTY LTD	6,964,286	7.17
LENG HIM SAW	4,000,000	4.12
MR VERNON ALAN WILLS	2,000,000	2.06
PHILIP DAVID COSTELLOE	1,986,333	2.04
CHRISTOPHER EDWARD GITTENS	1,666,667	1.72
CRAIG ANTHONY DAWSON	1,600,000	1.65
JEREMY GITTENS	1,166,667	1.20
NICASIO ALCANTARA	1,000,000	1.03
JENNIFER ANNE SAW	1,000,000	1.03
SHAUN SCOTT	1,000,000	1.03
DARRYL SOMERVILLE	1,000,000	1.03
BRETT MCPHEE	750,000	0.77
JOHN GILBERT RODGERS	750,000	0.77
AXIS TRAINING GROUP PTE LTD	740,615	0.76
ISMAIL TAHIR	600,000	0.62

(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	68	41,543
1,001 - 5,000	60	175,458
5,001 - 10,000	73	679,507
10,001 - 100,000	159	7,299,127
Greater than 100,000	158	375,491,623
Totals	**518**	**383,687,258**

(ii) Partly paid shares, paid to $0.01

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

(iii) Escrowed ordinary shares

Distribution	Number of Holders	Number of Shares
1 - 1,000	-	-
1,001 - 5,000	-	-
5,001 - 10,000	-	-
10,001 - 100,000	9	250,000
Greater than 100,000	37	97,840,860
Totals	**45**	**98,090,861**

(iv) Unmarketable parcels

	Minimum parcel size	Holders	Shares
Minimum $500 parcel at $0.165 per share	3,031	105	113,877

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.

4 Substantial Shareholder

Substantial shareholder notices lodged with the company:

Substantial Shareholder	Number of Shares
Mr Vernon Alan Wills, Ms Jillaine Patrice Wills and Wayburn Holdings Pty Ltd	93,870,208
Talbot Group Investments Pty Ltd	42,171,121
Milford Asset Management Limited	40,936,691
Cameron Richard Pty Ltd <Super fund>, Stuart Andrew Pty Ltd	29,904,145

5 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.