

# AMBITION GROUP LIMITED.

Interim Report for the half-year ended  
30th June 2012 & Appendix 4D information

ABN 31 089 183 362

The Directors of Ambition Group are pleased to announce financial results in line with the forecast we issued in early July, with selected income statement highlights shown below

<b>6 months ended</b>	<b>30-Jun 2012</b>	<b>30-Jun 2011</b>
<b>Revenue</b>	\$44.5m	\$47.7m
<b>Employee benefits expense</b>	(\$14.4m)	(\$16.9m)
<b>On-hired labour costs</b>	(\$24.3m)	(\$24.6m)
<b>Payroll tax</b>	(\$0.4m)	(\$0.3m)
<b>Depreciation and amortisation expense</b>	(\$0.4m)	(\$0.4m)
<b>Advertising and marketing</b>	(\$0.8m)	(\$1.0m)
<b>Other expenses</b>	(\$3.4m)	(\$3.5m)
<b>Profit before income tax expense</b>	<b>\$0.8m</b>	<b>\$1.0m</b>
<b>Income tax expense</b>	(\$0.3m)	(\$0.2m)
<b>Profit after income tax expense</b>	<b>\$0.5m</b>	<b>\$0.8m</b>
<b>Basic earnings per share (cents per share)</b>	0.79	1.23
<b>Diluted earnings per share (cents per share)</b>	0.77	1.18

Whilst the Group's profit has decreased, we are satisfied that your company is being managed with a conservative balance sheet and that we are remaining profitable in an environment of global uncertainty and significant employer prudence with regard to headcount. At the end of June 2012 our cash position was \$6.5m, with zero debt.

As reported, we have a major focus on our contracting and temporary businesses around the world and we can report that revenue in this area is down by less than 2% compared to the first half of 2011, whereas permanent recruitment continues to be volatile.

In the IT discipline, it is clear that many client projects are going ahead with organisations seeing these as a path to efficiency and competitive advantage – this is creating on-going need for high calibre talent in this area.

In our offices in Hong Kong and Singapore, we have been broadening our client base to include a greater portion of industrials and multinationals, alongside Ambition's traditional strength in banking and financial services. We are also exploring other growth opportunities in Asia, including expansion of our existing offices.

We are expanding the footprint and capacity of our accounting support recruitment business, AccountAbility, along the eastern seaboard of Australia and also most recently in the strong Western Australian market.

Despite the challenging trading conditions in the London market, this office remains an important element of our strategy. We continue to experience operational synergies between the UK and the Asian regions.

During the period we expanded the scope of our Ambition Academy program, where we hire talent from outside the industry and fast track them to consultant roles within our specialist teams. This approach to identifying and developing high calibre individuals is core to our future growth plans as well as central to the consistency of our service delivery.

**Ambition Group is a global boutique recruitment business operating in the areas of Finance & Accounting, Banking & Financial Services, Information Technology, Sales & Marketing, HR as well as an executive search offering.**

**Our office network covers Sydney, Parramatta, Melbourne, Brisbane, Perth, Hong Kong, Singapore and London. Our vision is 'Building Better Futures' for our candidates, client organisations and employees.**

**Results for announcement to the market**

Financial half-year ended ('current period'): 30 June 2012  
Previous corresponding period: 30 June 2011

	30 June 2012	30 June 2011	Change	Change
	\$'000	\$'000	\$'000	%
<b>Revenue from ordinary activities</b>	44,496	47,674	(3,178)	(7)%
<b>Profit before tax</b>	833	1,018	(185)	(18)%
<b>Profit after tax attributable to Owners of the Parent</b>	510	805	(295)	(37)%
<b>Basic earnings per share (cents per share) to Owners of the Parent</b>	0.79	1.23	(0.44)	(36)%

**Dividends**

The Directors have declared that there will be no interim dividend for 2012.

### **Directors' Report**

The Directors present their report on Ambition Group Limited and its Controlled Entities for the half-year ended 30 June 2012 as follows:

#### **Directors**

The names of Directors in office at any time during or since the end of the current period are:

Nick Waterworth  
Paul Lyons  
Paul Young  
Andrew Adamovich (resigned 1<sup>st</sup> May 2012)  
Guy Day  
Cathy Doyle (appointed 1<sup>st</sup> May 2012)

#### **Dividends**

The Directors have declared that there will be no interim dividend for 2012.

#### **Review of operations**

Ambition is in the business of recruitment consultancy, generating revenue from both permanent and contracting placements.

Operating revenues of \$44,496,000 were down from \$47,674,000 in the previous corresponding period. Profit before tax of \$833,000 was down from a profit of \$1,018,000 in the previous corresponding period. Profit after tax of \$510,000 was down from a profit of \$792,000 in the previous corresponding period.

The Directors' commentary in the preceding section gives further detail on the performance this period.

#### **Auditor's Independence Declaration**

The auditor's independence declaration under section 307 of the Corporations Act 2001 is set out on page 5 for the half-year ended 30 June 2012 and forms part of this report.

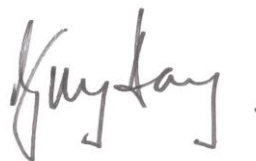
#### **Rounding off of amounts**

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Nick Waterworth  
Chairman



Guy Day  
Chief Executive Officer

Dated 17<sup>th</sup> of August 2012

The Board of Directors  
Ambition Group Limited  
Level 5, 55 Clarence Street  
Sydney  
NSW 2000

17 August 2012

Dear Board Members

### **Ambition Group Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Ambition Group Limited.

As lead audit partner for the review of the financial statements of Ambition Group Limited for the half-year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU



Jason Thorne  
Partner  
Chartered Accountant

**Condensed Consolidated Income Statement  
for the half-year ended 30 June 2012**

		30 June 2012 \$'000	30 June 2011 \$'000
	Note		
Revenue	2(a)	44,496	47,674
Employee benefits expense		(13,630)	(15,850)
Indirect employment costs		(712)	(1,025)
On-hired labour costs		(24,320)	(24,606)
Payroll tax		(432)	(335)
Depreciation and amortisation expense	2(b)	(378)	(434)
Advertising and marketing		(805)	(968)
Computer expenses		(328)	(344)
Rental expense on operating leases	2(b)	(1,230)	(1,273)
Other expenses		(1,828)	(1,821)
<b>Profit before income tax expense</b>		<b>833</b>	<b>1,018</b>
Income tax expense	3	(323)	(226)
<b>Profit after income tax expense</b>		<b>510</b>	<b>792</b>
Attributable to:			
Owners of the parent		510	805
Non controlling interest		-	(13)
Basic earnings per share (cents per share)		0.79	1.23
Diluted earnings per share (cents per share)		0.77	1.18

**Condensed Consolidated Statement of Comprehensive Income  
for the half-year ended 30 June 2012**

	30 June 2012 \$'000	30 June 2011 \$'000
<b>Profit for the period</b>	<b>510</b>	<b>792</b>
Other comprehensive income:		
Exchange difference on translation of foreign operations	44	(279)
<b>Total comprehensive profit for the period</b>	<b>554</b>	<b>513</b>
Total comprehensive income attributable to:		
Owners of the parent	554	526
Non controlling interest	-	(13)

The condensed consolidated financial statements should be read in conjunction with the accompanying notes.

**Condensed Consolidated Statement of Financial Position  
as at 30 June 2012**

	30 June 2012 \$'000	31 Dec 2011 \$'000
Note		
<b>Current assets</b>		
Cash and cash equivalents	6,528	6,951
Trade and other receivables	13,057	12,557
Current tax assets	104	84
Other current assets	486	178
<b>Total current assets</b>	<b>20,175</b>	<b>19,770</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,479	1,431
Intangible assets	402	361
Deferred tax assets	1,010	1,197
<b>Total non-current assets</b>	<b>2,891</b>	<b>2,989</b>
<b>Total assets</b>	<b>23,066</b>	<b>22,759</b>
<b>Current liabilities</b>		
Trade and other payables	8,343	8,218
Current tax liabilities	-	5
Short-term provisions	1,166	1,219
<b>Total current liabilities</b>	<b>9,509</b>	<b>9,442</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	17	71
Long-term provisions	739	620
<b>Total non-current liabilities</b>	<b>756</b>	<b>691</b>
<b>Total liabilities</b>	<b>10,265</b>	<b>10,133</b>
<b>Net assets</b>	<b>12,801</b>	<b>12,626</b>
<b>Equity</b>		
Issued capital	7 47,560	47,553
Reserves	(3,871)	(3,529)
Accumulated losses	(30,888)	(31,398)
<b>Total equity</b>	<b>12,801</b>	<b>12,626</b>

The condensed consolidated financial statements should be read in conjunction with the accompanying notes.



**Condensed Consolidated Statement of Changes in Equity  
for the half-year ended 30 June 2012**

	Issued Capital \$'000	Accumulated Losses \$'000	Foreign Currency Translation Reserve \$'000	Equity Settled Employee Benefits Reserve \$'000	Attributable to owners of the parent \$'000	Non controlling interest \$'000	Total \$'000
<b>Balance as at 1 January 2011</b>	<b>46,646</b>	<b>(32,715)</b>	<b>(4,093)</b>	<b>855</b>	<b>10,693</b>	<b>1</b>	<b>10,694</b>
Profit for the period	-	805	-	-	805	(13)	792
Other comprehensive income for the period	-	-	(279)	-	(279)	-	(279)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>805</b>	<b>(279)</b>	<b>-</b>	<b>526</b>	<b>(13)</b>	<b>513</b>
Recognition of share based payments	253	-	-	50	303	-	303
Shares issued under employee share plans	271	-	-	(259)	12	-	12
<b>Balance as at 30 June 2011</b>	<b>47,170</b>	<b>(31,910)</b>	<b>(4,372)</b>	<b>646</b>	<b>11,534</b>	<b>(12)</b>	<b>11,522</b>
<b>Balance as at 1 January 2012</b>	<b>47,553</b>	<b>(31,398)</b>	<b>(4,306)</b>	<b>777</b>	<b>12,626</b>	<b>-</b>	<b>12,626</b>
Profit for the period	-	510	-	-	510	-	510
Other comprehensive income for the period	-	-	44	-	44	-	44
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>510</b>	<b>44</b>	<b>-</b>	<b>554</b>	<b>-</b>	<b>554</b>
Recognition of share based payments	-	-	-	(379)	(379)	-	(379)
Vesting of employee share scheme	7	-	-	(7)	-	-	-
<b>Balance as at 30 June 2012</b>	<b>47,560</b>	<b>(30,888)</b>	<b>(4,262)</b>	<b>391</b>	<b>12,801</b>	<b>-</b>	<b>12,801</b>

The condensed consolidated financial statements should be read in conjunction with the accompanying notes.

**Condensed Consolidated Statement of Cash Flows  
for the half-year ended 30 June 2012**

	30 June 2012 \$'000	30 June 2011 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	48,772	51,106
Payments to suppliers and employees	(48,836)	(51,461)
Income tax paid	(150)	(198)
Interest received	67	58
<b>Net cash used in operating activities</b>	<b>(147)</b>	<b>(495)</b>
<b>Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment	(26)	(280)
Payments for intangible assets	(267)	(226)
<b>Net cash used in investing activities</b>	<b>(293)</b>	<b>(506)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity securities	-	-
Payment for share issue costs	-	-
Dividends paid	-	-
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash held</b>	<b>(440)</b>	<b>(1,001)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>6,951</b>	<b>6,234</b>
Effect of exchange rates on cash holdings in foreign currencies	17	(25)
<b>Cash and cash equivalents at the end of the financial period</b>	<b>6,528</b>	<b>5,208</b>

The condensed consolidated financial statements should be read in conjunction with the accompanying notes.

## Notes to the condensed consolidated financial statements

### 1. Significant Accounting Policies

#### **(a) Statement of compliance**

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

#### **(b) Basis of preparation**

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 31 December 2011 and the public announcements made by Ambition Group Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial statements do not include full disclosures of the type normally included in the annual financial statements.

The half-year final statements have been prepared on an accruals basis and based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which fair value accounting has been applied. All amounts are in Australian dollars.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 31 December 2011, except for the impact of the Standards and Interpretations described below.

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

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

- AASB 1054 Australian Additional Disclosures and Related Amendments
- AASB2010-8 Deferred Tax: Recovery of Underlying Assets (AASB112)

The adoption of these amendments has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior period.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standards that are effective for annual reporting periods beginning on or after 1 January 2013 and expected to be applied in the financial year ending 31 December 2013:

- AASB 9 Financial Instruments – Classification and Measurement
- AASB10 Consolidated Financial Statements
- AASB 13 Fair Value Measurements
- AASB 119 (2011) Employee Benefits
- AASB 2011-7 Amendments to Australian Accounting Standards arising from Consolidation

Standards that are effective for annual reporting periods beginning on or after 1 July 2012 and expected to be applied in the financial year ending 31 December 2013:

- AASB 2011-9 Presentation of Items of OCI (AASB 101)

Standards that are effective for annual reporting periods beginning on or after 1 July 2013 and expected to be applied in the financial year ending 31 December 2014:

- AASB 2011-13 Improvements to AASB1049

## 2. Profit from operations

	30 June 2012 \$'000	30 June 2011 \$'000
<b>(a) Revenue</b>		
Recruitment services' revenue	44,429	47,616
Interest received	67	58
	<b>44,496</b>	<b>47,674</b>

## (b) Profit before income tax

Profit from ordinary activities before income tax has been determined after:

Depreciation and amortisation expense		
- depreciation of plant and equipment	279	296
- amortisation of intangibles	99	138
	<b>378</b>	<b>434</b>

Share based payments (write back) / expense	(379)	55
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Rental expense on operating leases		
- minimum lease payments	1,230	1,273

## 3. Income tax

Profit before income tax	833	1,018
Prima facie tax	250	305
Add / (Less) tax effect of:		
- other non-deductible expenses	33	37
- tax assets not brought to account	55	38
- non taxable share based payment (write back) / expense	(83)	4
- overseas tax differential	14	(126)
- under / (over) provision in prior period	54	(32)
<b>Income tax expense attributable to profit before tax</b>	<b>323</b>	<b>226</b>

## 4. Net tangible assets

Net tangible asset backing per ordinary share	\$0.19	\$0.17
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## 5. Events subsequent to reporting date

There are no events subsequent to the report date of which we are aware that would have a material impact on this report.

## 6. Contingent liabilities

There are no contingent liabilities.

## 7. Issuances of Equity Securities

Issued capital at 30 June 2012 amounted to \$47,560,000 (67,170,954 ordinary shares). In March 2012 22,500 treasury shares (included in the 67,170,954) (2011: 234,100) vested and the employee became entitled to full ownership. As a result \$7,000 was transferred from the Equity Settled Employee Benefits Reserve to Issued Capital (2011: \$259,000). The Group issued no share options (2011: 750,000) over ordinary shares under its executive share option plan during the half-year reporting period.

## **8. Key Management Personnel**

Remuneration arrangements of key management personnel are disclosed in the annual financial report.

## **9. Dividends**

The Directors have not reported an interim dividend (2011: nil).

## 10. Segment reporting

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review.

	Australia		Asia		Europe		Group		Consolidated Entity	
	30 June 2012 \$'000	30 June 2011 \$'000	30 June 2012 \$'000	30 June 2011 \$'000	30 June 2012 \$'000	30 June 2011 \$'000	30 June 2012 \$'000	30 June 2011 \$'000	30 June 2012 \$'000	30 June 2011 \$'000
<b>(a) Revenue</b>										
External revenue	31,583	30,990	4,107	4,607	8,739	12,019	-	-	44,429	47,616
Interest revenue	67	58	-	-	-	-	-	-	67	58
<b>Total segment revenue</b>	<b>31,650</b>	<b>31,048</b>	<b>4,107</b>	<b>4,607</b>	<b>8,739</b>	<b>12,019</b>	-	-	<b>44,496</b>	<b>47,674</b>
<b>(b) Result</b>										
Profit / (loss) before income tax	1,115	1,506	357	733	(195)	(87)	(444)	(1,134)	833	1,018
Income tax (expense) / income	(323)	(441)	(20)	(125)	-	-	20	340	(323)	(226)
<b>Profit / (loss) after income tax</b>	<b>792</b>	<b>1,065</b>	<b>337</b>	<b>608</b>	<b>(195)</b>	<b>(87)</b>	<b>(424)</b>	<b>(794)</b>	<b>510</b>	<b>792</b>

This note is prepared in accordance with AASB 8 which requires the operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (Chief Executive Officer and other members of the Board of Directors) in order to allocate resources to the segment and to assess its performance. The geographical regions above represent the operating units in each country or region.

There have been no changes in basis of segmentation or basis of segmental profit or loss since the previous financial report

## Directors' Declaration

The Directors of the company declare that:

1. The financial statements and notes as set out on pages 6 to 13
  - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Signed in accordance with a resolution of the Directors' made pursuant to s.303(5) of the Corporations Act 2001.



Nick Waterworth  
Chairman



Guy Day  
Chief Executive Officer

Dated 17<sup>th</sup> of August 2012

## Independent Auditor's Review Report to the Members of Ambition Group Limited

We have reviewed the accompanying half-year financial report of Ambition Group Limited, which comprises the condensed statement of financial position as at 30 June 2012 and the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 14.

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

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

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ambition Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ambition Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

## *Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Deloitte Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

  
Jason Thorne  
Partner

Chartered Accountants  
Sydney, 17 August 2012