

# AMBITION GROUP LIMITED

**Nimble | Adaptable | Specialist**

Half Year Report for the period ended  
30th June 2016 & Appendix 4D information

# Appendix 4D

## Half Year Report

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### Results for announcement to the market

This information should be read in conjunction with the 2015 Annual Financial Report of Ambition Group Limited and its controlled entities and any public announcements made in the period by ASX Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

### Half Year ended 30 June 2016

Previous corresponding period is half year ended 30 June 2015.

|  | % change |      |              | \$,000      |
|--|----------|------|--------------|-------------|
| Revenue from ordinary activities                       | Up       | 25 % | to           | 60,335      |
| Loss from ordinary activities after tax for the period | Down     | 132% | to           | (166)       |
| Net Profit attributable to members                     | Down     | 97%  | to           | 20          |
|  |          |      | <b>Cents</b> |             |
|  |          |      | <b>2016</b>  | <b>2015</b> |
| Basic earnings per share                               |          |      | 0.03         | 0.91        |
| Net tangible assets per share                          |          |      | 18.47        | 18.66       |
| Net assets per share                                   |          |      | 19.17        | 19.19       |
| 2016 represents the current period ended 30 June 2016  |          |      |              |             |
| 2015 represents the previous corresponding period      |          |      |              |             |

### Dividends

The Directors have declared that there will be no interim dividend for 2016.

# Appendix 4D

## Half Year Report

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### Operational review

The first half of 2016 was a busy time for the Group as we continued to position the company for growth by increasing headcount and focusing on our most promising segments.

Revenue was \$60.3m, a 25% increase over the prior corresponding period. Net fee income increased by 5.2% to \$22.9m, while EBITDA before restructuring costs declined by 12.7%, predominantly due to the planned growth in front-line consultants.

Our 275 staff across Australia, Asia and the UK did a wonderful job in building the breadth of our client portfolio and cementing the high regard for our three brands in their various markets. The board and I are indebted to the team's ongoing inspiration and dedication to the cause.

Key points for the six months:

- In Australia, there was certainly some caution during the protracted Federal election campaign and general business confidence was muted. We did, however, achieve some reasonable growth in contracting and interim management. We still have a relatively small market share and are optimistic about growing this business.
- In our established Asian offices (Hong Kong and Singapore), performance was reasonable and we are positive of a bright future in these markets. Our Kuala Lumpur business, still less than three years old, shows tremendous promise in traditional recruitment and contracting, as well as related services through our new membership of Malaysia Digital Economy Corporation (MDec).
- Our London office made a very promising start to 2016. The recent Brexit referendum decision has obviously created much uncertainty in the business environment and we are closely monitoring results and work-in-progress. Nevertheless, our team has incredibly strong client relationships and this will stand us in good stead in the longer-term.
- Whilst we had seen some positive signs from our fledgling Tokyo office, the future growth looked slow and the move in to profit was some time away. Furthermore, the Japan business environment is still relatively isolated, giving only modest opportunities for cross-fertilisation. We therefore decided to concentrate our Asia resources on Hong Kong, Singapore and Malaysia and closed our physical presence in Tokyo.

# Appendix 4D

## Half Year Report

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### Financial Review

#### Review of revenue, gross profit and net profit / (loss) for the period

| \$'000                             | 2016<br>30 June | 2015<br>30 June |
|------------------------------------|-----------------|-----------------|
| Revenue                            | 60,335          | 48,172          |
| Net Fee Income (Gross Profit)      | 22,881          | 21,743          |
| Net Fee Income %                   | 37.9%           | 45.1%           |
| EBITDA before Restructuring costs  | 958             | 1,098           |
| Restructuring costs                | (364)           | -               |
| EBITDA after Restructuring costs   | 594             | 1,098           |
| Net (loss) / profit for the period | (166)           | 525             |

Revenue increased by 25.2% to \$60.3m and net fee income increased 5.2% to \$22.9m.

In Australia, net fee income (NFI) grew, primarily due to an expansion in our contracting business. In Asia, NFI grew with offices in Hong Kong, Singapore and Kuala Lumpur performing creditably. In London, revenue and profit increased although there was obviously a degree of uncertainty in the lead up to the referendum on EU membership.

We believe there is tremendous leverage to the upside within the company, both by further increasing efficiency and by judiciously adding sales headcount.

#### Operating cash flow and gearing

| \$'000              | 2016<br>30 June | 2015<br>30 June |
|---------------------|-----------------|-----------------|
| Operating cash flow | (3,989)         | (949)           |
| Net cash            | 1,652           | 4,173           |

Due to the growth in our contracting revenue, trade and other receivables increased by \$3.8m in the last six months. There was also a cash outflow due to the reinstatement of dividends.

# Appendix 4D

## Half Year Report

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### Review of net assets

| \$'000                   | 2016<br>30 June | 2015<br>30 June |
|--------------------------|-----------------|-----------------|
| Net assets /Total Equity | 12,594          | 12,603          |
| Net tangible assets      | 12,136          | 12,259          |

At 30 June 2016, Ambition Group had net assets of \$12.6m (2015: \$12.6m) and net tangible assets of \$12.1m (2015: \$12.3m)

The material movements in equity during the six months ended 30 June 2016 were the effect of the net loss during the year of \$0.2m, foreign currency translation reserve movements of \$0.1m, a movement of \$0.7m due to the payment of a dividend, and a movement of \$0.1m on the equity share settled employee benefits reserve reflecting amounts expensed/forfeited during the period in respect of the Group's Employee Share Incentive Plan.

### Key Business Strategies

Our strategy remains centred on excellence in a small number of key disciplines (inch wide, mile deep) in our key markets of Australia, United Kingdom, Hong Kong, Singapore and Malaysia and on growing the contracting portion of our business, which is now 72% of top line revenue.

Investor enquiries:

Nick Waterworth

Executive Chairman

+61 (2) 9249 5000

## Directors' report

The directors of Ambition Group Limited submit herewith the financial report of Ambition Group Limited and its subsidiaries (the Group) for the half-year ended 30 June 2016. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the directors of the company during or since the end of the half year are:

### Name

Mr Nick Waterworth  
Mr Paul Young  
Ms Cathy Doyle  
Prof Richard Petty

### Principal Activities

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

### Review of operations

Revenue increased by 25.2% from \$48.2m to \$60.3m with growth from Australia (up 30.4%) and Asia (up 15.3%) with softer conditions in the UK (up 8.4%). Net Fee Income rose 5.2% from \$21.7m to \$22.9m with gross margin down slightly to 37.9%.

Earnings before interest, tax, depreciation and amortisation (EBITDA) decreased by 45.9% from \$1.1m to \$0.6m largely due to losses incurred in Japan and restructuring costs there.

Profits from the Australian operations increased to \$1.2m, and the Asian operations moved from a profit of \$0.6m in the prior period to a loss of \$0.6m as a result of the loss in Japan and restructuring costs there. Profit in the UK operations rose to \$0.2m, up from \$0.03m in the prior year.

The profit after tax attributable to shareholders for the period was \$0.02m (2015: profit of \$0.6m).

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

### Dividends

The Directors have declared that there will be no interim dividend for 2016 (30 June 2015: nil).

### Auditor's independence declaration

The auditor's independence declaration is included on page 7 of the half-year report.

**Rounding-off of amounts**

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, 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*.

On behalf of the Directors



Nick Waterworth  
Executive Chairman



Paul Young  
Director

18<sup>th</sup> August, 2016

**RSM Australia Partners**

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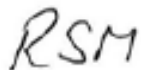
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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Ambition Group Limited for the half year ended 30 June 2016, 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.

A handwritten signature in black ink that reads "RSM".

**RSM AUSTRALIA PARTNERS**

A handwritten signature in black ink that reads "David Talbot".

**David Talbot**  
Partner

Sydney, NSW  
Dated: 18 August 2016

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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### Directors' declaration

The directors declare that :

- a) 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; and
- b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors



Nick Waterworth  
Executive Chairman



Paul Young  
Director

18<sup>th</sup> August, 2016

**Condensed consolidated statement of profit or loss  
for the half-year ended 30 June 2016**

|                                       | <b>Consolidated</b>    |                     |
|---------------------------------------|------------------------|---------------------|
|                                       | <b>Half-year ended</b> |                     |
|                                       | <b>30 June 2016</b>    | <b>30 June 2015</b> |
|                                       | <b>\$'000</b>          | <b>\$'000</b>       |
| <b>Continuing Operations</b>          |                        |                     |
| Revenue                               | 60,335                 | 48,172              |
| On-hired labour costs                 | (37,454)               | (26,429)            |
| <b>Gross Profit</b>                   | <b>22,881</b>          | <b>21,743</b>       |
| Investment income                     | -                      | 9                   |
| Employee benefits expense             | (16,197)               | (14,767)            |
| Indirect employment costs             | (656)                  | (821)               |
| Payroll tax                           | (433)                  | (383)               |
| Restructuring costs                   | (364)                  | -                   |
| Depreciation and amortisation expense | (443)                  | (370)               |
| Finance costs                         | (11)                   | -                   |
| Advertising and marketing             | (679)                  | (720)               |
| Computer expenses                     | (473)                  | (438)               |
| Rental expense on operating leases    | (1,537)                | (1,251)             |
| Other expenses                        | (1,948)                | (2,265)             |
| <b>Profit before tax</b>              | <b>140</b>             | <b>737</b>          |
| Income tax expense                    | (306)                  | (212)               |
| <b>(Loss) / Profit for the period</b> | <b>(166)</b>           | <b>525</b>          |
| Attributable to:                      |                        |                     |
| Owners of the parent                  | 20                     | 600                 |
| Non-controlling interests             | (186)                  | (75)                |
| <b>Earnings per share</b>             |                        |                     |
| Basic (cents per share)               | 0.03                   | 0.91                |
| Diluted (cents per share)             | 0.03                   | 0.85                |

**Condensed consolidated statement of comprehensive income  
for the half-year ended 30 June 2016**

|  | <b>Consolidated</b>    |                     |
|--|------------------------|---------------------|
|  | <b>Half-year ended</b> |                     |
|  | <b>30 June 2016</b>    | <b>30 June 2015</b> |
|  | <b>\$'000</b>          | <b>\$'000</b>       |
| (Loss) / Profit for the period                                       | (166)                  | 525                 |
| <b>Other comprehensive income:</b>                                   |                        |                     |
| <i>Items that may be reclassified subsequently to profit or loss</i> |                        |                     |
| Exchange difference on translation of foreign operations             | 88                     | 261                 |
| <b>Total comprehensive income for the period</b>                     | <b>(78)</b>            | <b>786</b>          |
| Total comprehensive income attributable to:                          |                        |                     |
| Owners of the parent   | 107                    | 942                 |
| Non-controlling interests  | (185)                  | (156)               |
|  | (78)                   | 786                 |

Notes to the condensed consolidated financial statements are included on pages 13 to 15.

**Condensed consolidated statement of financial position  
as at 30 June 2016**

|                                      | Note | Consolidated  |               |
|--------------------------------------|------|---------------|---------------|
|                                      |      | 30 June 2016  | 31 Dec 2015   |
|                                      |      | \$'000        | \$'000        |
| <b>Current assets</b>                |      |               |               |
| Cash and cash equivalents            |      | 1,652         | 6,534         |
| Trade and other receivables          |      | 20,939        | 17,124        |
| Current tax assets                   |      | 128           | 89            |
| Other current assets                 |      | 919           | 836           |
| <b>Total current assets</b>          |      | <b>23,638</b> | <b>24,583</b> |
| <b>Non-current assets</b>            |      |               |               |
| Property, plant and equipment        |      | 1,416         | 1,556         |
| Intangible assets                    |      | 458           | 465           |
| Deferred tax assets                  |      | 1,047         | 1,056         |
| <b>Total non-current assets</b>      |      | <b>2,921</b>  | <b>3,077</b>  |
| <b>Total assets</b>                  |      | <b>26,559</b> | <b>27,660</b> |
| <b>Current liabilities</b>           |      |               |               |
| Trade and other payables             |      | 11,260        | 11,292        |
| Current tax liabilities              |      | 37            | 794           |
| Provisions                           |      | 1,004         | 840           |
| <b>Total current liabilities</b>     |      | <b>12,301</b> | <b>12,926</b> |
| <b>Non-current liabilities</b>       |      |               |               |
| Provisions                           |      | 1,210         | 1,530         |
| Deferred tax liabilities             |      | 454           | -             |
| <b>Total non-current liabilities</b> |      | <b>1,664</b>  | <b>1,530</b>  |
| <b>Total liabilities</b>             |      | <b>13,965</b> | <b>14,456</b> |
| <b>Net assets</b>                    |      | <b>12,594</b> | <b>13,204</b> |
| <b>Equity</b>                        |      |               |               |
| Issued capital                       | 5    | 47,726        | 47,726        |
| Reserves                             |      | (2,410)       | (2,637)       |
| Accumulated losses                   |      | (32,453)      | (31,801)      |
| Non-controlling interest             |      | (269)         | (84)          |
| <b>Total equity</b>                  |      | <b>12,594</b> | <b>13,204</b> |

Notes to the condensed consolidated financial statements are included on pages 13 to 15.

**Condensed consolidated statement of changes in equity  
for the half-year ended 30 June 2016**

|  | Issued<br>Capital<br>\$'000 | Accumulated<br>Losses<br>\$'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>\$'000 | Equity Settled<br>Employee Benefits<br>Reserve<br>\$'000 | Attributable<br>to owners of<br>the parent<br>\$'000 | Non-<br>controlling<br>interest<br>\$'000 | <b>Total<br/>\$'000</b> |
|--|-----------------------------|---------------------------------|---|--|--|---|-------------------------|
| <b>Balance as at 1 January 2015</b>              | <b>47,726</b>               | <b>(32,922)</b>                 | <b>(3,279)</b>  | <b>98</b>  | <b>11,623</b>  | <b>105</b>                                | <b>11,728</b>           |
| Profit for the period                            | -                           | 600                             | -   | -  | 600  | (75)                                      | 525                     |
| Other comprehensive income for the period        | -                           | -                               | 342   | -  | 342  | (81)                                      | 261                     |
| <b>Total comprehensive income for the period</b> | <b>-</b>                    | <b>600</b>                      | <b>342</b>  | <b>-</b>   | <b>942</b>   | <b>(156)</b>                              | <b>786</b>              |
| Recognition of share based payments              | -                           | -                               | -   | 89   | 89   | -   | 89                      |
| <b>Balance as at 30 June 2015</b>                | <b>47,726</b>               | <b>(32,322)</b>                 | <b>(2,937)</b>  | <b>187</b>   | <b>12,654</b>  | <b>(51)</b>                               | <b>12,603</b>           |
| <b>Balance as at 1 January 2016</b>              | <b>47,726</b>               | <b>(31,801)</b>                 | <b>(2,970)</b>  | <b>333</b>   | <b>13,288</b>  | <b>(84)</b>                               | <b>13,204</b>           |
| Profit / (Loss) for the period                   | -                           | 20                              | -   | -  | 20   | (186)                                     | (166)                   |
| Other comprehensive income for the period        | -                           | -                               | 87  | -  | 87   | 1   | 88                      |
| <b>Total comprehensive income for the period</b> | <b>-</b>                    | <b>20</b>                       | <b>87</b>   | <b>-</b>   | <b>107</b>   | <b>(185)</b>                              | <b>(78)</b>             |
| Payment of dividends                             | -                           | (672)                           | -   | -  | (672)  | -   | (672)                   |
| Recognition of share based payments              | -                           | -                               | -   | 140  | 140  | -   | 140                     |
| <b>Balance as at 30 June 2016</b>                | <b>47,726</b>               | <b>(32,453)</b>                 | <b>(2,883)</b>  | <b>473</b>   | <b>12,863</b>  | <b>(269)</b>                              | <b>12,594</b>           |

Notes to the condensed consolidated financial statements are included on pages 13 to 15.

**Condensed consolidated statement of cash flows  
for the half-year ended 30 June 2016**

|   | <b>Consolidated</b>    |                     |
|---|------------------------|---------------------|
|   | <b>Half-year ended</b> |                     |
|   | <b>30 June 2016</b>    | <b>30 June 2015</b> |
|   | <b>\$'000</b>          | <b>\$'000</b>       |
| <b>Cash flows from operating activities</b>                                       |                        |                     |
| Receipts from customers   | 58,047                 | 45,558              |
| Payments to suppliers and employees   | (61,388)               | (46,267)            |
| Cash used in operations   | (3,341)                | (709)               |
| Interest paid   | (11)                   | -                   |
| Income tax paid   | (637)                  | (240)               |
| Net cash used in operating activities   | (3,989)                | (949)               |
| <b>Cash flows from investing activities</b>                                       |                        |                     |
| Interest received   | -                      | 9                   |
| Payment for property, plant and equipment   | (34)                   | (152)               |
| Payment for intangible assets   | (165)                  | (174)               |
| Proceeds from disposal of property, plant and equipment                           | 6                      | -                   |
| Net cash used in investing activities   | (193)                  | (317)               |
| <b>Cash flows from financing activities</b>                                       |                        |                     |
| Dividends paid  | (672)                  | -                   |
| Net cash used in financing activities   | (672)                  | -                   |
| <b>Net decrease in cash and cash equivalents</b>                                  | (4,854)                | (1,266)             |
| <b>Cash and cash equivalents at the beginning of the period</b>                   | 6,534                  | 5,222               |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | (28)                   | 217                 |
| <b>Cash and cash equivalents at the end of the period</b>                         | 1,652                  | 4,173               |

Notes to the condensed consolidated financial statements are included on pages 13 to 15

## 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

For the purpose of preparing the condensed consolidated financial statements the Company is a for-profit entity.

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

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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 2015 annual financial report for the financial year ended 31 December 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

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

- AASB 1057 Application of Australian Accounting Standards
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2-14
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2015-3 Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

## 2. Segment information

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

Information reported to the Group's Executive Chairman for the purposes of resource allocation and assessment of performance is focused on the geographic segments the business operates in. The Group's reportable segments under AASB 8 are as follows:

- Australia
- Asia
- UK
- Group

There have been no changes in the basis of segmentation or basis of segmental profit or loss since the previous financial report. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

|  | Revenue         |              | Segment profit / (loss) |              |
|--|-----------------|--------------|-------------------------|--------------|
|  | Half-year ended |              | Half-year ended         |              |
|  | 30 June 2016    | 30 June 2015 | 30 June 2016            | 30 June 2015 |
|  | \$'000          | \$'000       | \$'000                  | \$'000       |
| <b>Continuing operations</b>                                   |                 |              |                         |              |
| Australia  | 44,382          | 34,013       | 1,222                   | 808          |
| Asia   | 10,003          | 8,674        | (560)                   | 633          |
| UK   | 5,950           | 5,485        | 228                     | 34           |
|  | 60,335          | 48,172       | 890                     | 1,475        |
| Investment income  |                 |              | -                       | 9            |
| Group charges  |                 |              | (750)                   | (747)        |
| Profit before tax  |                 |              | 140                     | 737          |
| Income tax (expense)   |                 |              | (306)                   | (212)        |
| Consolidated segment revenue and (loss)/ profit for the period | 60,335          | 48,172       | (166)                   | 525          |

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the period.

## 3. Net tangible assets

Net tangible asset backing per ordinary share at 30 June 2016 was 18.47 cents per share (2015: 18.66 cents per share).

## 4. 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.

#### **5. Issuances of Equity Securities**

Issued capital at 30 June 2016 amounted to \$47,726,269 (67,170,954 ordinary shares). There was no movement in Issued Share Capital during the period (2015: nil).

The Group issued 2,695,196 share options (2015: nil) over ordinary shares under its executive share option plan during the half-year reporting period.

#### **6. Key Management Personnel**

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

#### **7. Dividends**

The Directors have not reported an interim dividend for 2016 (30 June 2015: nil).



**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF**  
**AMBITION GROUP LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Ambition Group Limited which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal 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 company's financial position as at 30 June 2016 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.

*Independence*

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 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 company's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

**RSM AUSTRALIA PARTNERS**

David Talbot

**David Talbot**  
Partner

Sydney, NSW  
Dated: 18 August 2016