

Major Cities | Major Ambitions

Ambition Group Limited
Annual Report 2007

01	Introduction
02	Ambition Group
14	Co-Founders' Vision & Values
16	Business Overview
18	Chairman's Overview
19	Group Managing Director's Review
21	Financial Report



34%

REVENUE

2007 - \$79m
2006 - \$59m



11%

EBT

2007 - \$5.6m
2006 - \$5.1m



10%

NPAT

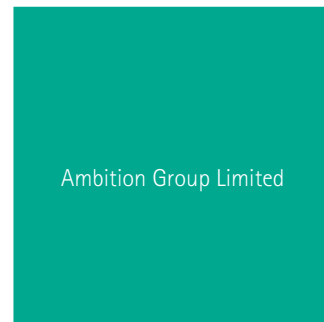
2007 - \$4.0m
2006 - \$3.7m



33%

DIVIDENDS

2007 - 6.0c per share
2006 - 4.5c per share



Major Cities, Major Ambitions

From the moment we issued our IPO prospectus in 1999, we have been dedicated to building a substantial recruitment and contracting group with operations in major cities and a concentration on the major white collar disciplines.

2007 was another successful year of progress towards this goal. During the year, we invested heavily in the business, particularly in terms of increasing our consultant numbers from 88 at the start of the year to 145 at the end of December.

In mid-January 2008, we completed the acquisition of the London-based Witan Jardine, a company-transforming landmark.

Now, with the addition of Witan Jardine, your company has over 200 consultants and in excess of 300 total employees, across 10 offices in four countries.

Sydney

Population c4.25 million. The Group was founded in Sydney, Australia's international city and our head office is based here. 2007 was a year of good growth in Sydney with Ambition (finance and technology), Watermark Search, AccountAbility and love* recruitment all having record years in terms of revenue.





Melbourne

Population c3.75 million. The Ambition business in Melbourne expanded strongly during the year benefiting from the investment we had made in people during 2006. Both permanent and contracting revenue were at record levels and our team achieved outstanding results with some of the most important clients in the Group. The other highlight was the excellent cooperation between our finance and technology recruitment teams, enabling us to broaden our service to the large institutions and corporates.





Brisbane

Population c1.75 million. One of Australia's economic growth engines, Brisbane's population is expanding more rapidly than any other Australian capital city. During the year, we relocated to new premises to house growth over the next 5 years within our core accounting, finance and clerical businesses. We also launched love* recruitment and enjoyed a very positive market reaction. Our standing in the market is exceptional and we are bullish about the future.





London

Population c7.5 million. In January 2008, Witan Jardine joined the Group and will form the platform for our UK expansion.

A truly global city, London clients are utilising candidates travelling from Australia on working holiday visas; there is also an outflow of skilled white-collar labour to Australia and Asia. Having a London office also strengthens our ability to service major clients around the world.





Hong Kong

Population c7 million. Hong Kong was our original launching point into Asia and we have grown to the point where today we are one of the top three white-collar recruitment consultancies in the territory.

Our business is well-balanced between servicing multinational corporations, locally-listed companies and banking/finance clients and we are equally able to recruit local Hong Kong Chinese staff, returning Chinese or expatriates.





財神
城 電梯按8字 Liza Ng & Club

東方藥
舖

皇閣

時鐘 溫莎皇宮 PALACE HOTEL



芬蘭
通

會總... 城本...
梯電 字5按

中港城

真不... 8字

ELLERS
CHOW TAI FOOK

新...
24小時服務

...
24小時服務

Singapore

Population c4.5 million. 2007 was our first full year in the island state and we are delighted with the building blocks that were put in place. Many 'doors were opened' due to our strong relationships in Hong Kong, especially in the banking sector. Furthermore, we commenced a commerce team with an emphasis on multinationals with regional head offices in Singapore. The Group's network was utilised to source candidates in what was a high demand market and this will be enhanced this year with our London office coming on stream.





Co-Founders' Vision & Values

We established Ambition in August 1999 with a belief that whilst we didn't want to reinvent the wheel, we could make a real difference in recruitment and create a special organisation.

During the last 9 years, the road has not always been smooth – indeed, we have learnt a great deal about surviving tough times! However, we have never wavered from our view that if we focus on getting the fundamentals right, we will succeed.





Vision

If it ain't broke, don't fix it!

Service: We have both been leading recruitment companies for many years and we believe the key business drivers remain the same: the market for labour is highly imperfect.

Employers struggle to find the best talent; people can't precisely locate the most suitable jobs – hence, there is room in the market for good 'brokers'.

But the emphasis is on the word good. To prosper as a recruitment consultancy, you must provide service and add value to both sides of the equation (clients and candidates) and whilst attention to our own revenue is important, this will look after itself if the service basics are in place.

Specialisation: Our approach is to build specialist businesses, highly targeted towards individual market segments. We do not subscribe to the 'one stop shop' theory; rather we have a house of brands with each being tailored to the dynamics and personalities in its market.

This specialisation allows each brand to 'speak' to its audience and build market profile amongst the relevant candidates and clients. It also enables very clear internal business models to be developed, again each customised for its segment.

People & culture: Culturally, it is imperative that we maintain a strong entrepreneurial spirit, whereby people at all levels can make a contribution and feel connected with their businesses. It is also important that our people feel they have a career, not just a job. Of particular importance to us is fun: if

there is no laughter in our offices, we don't think we're doing our jobs right. We are achieving well in these areas, as attested to by our low turnover rates compared to our industry peers.

Scale: Recruitment is, to a degree, a cyclical business. Our strategy is to reduce the dependency on individual businesses or markets, by expanding geographically and broadening the range of disciplines in which we recruit. We now have operations in three continents and a number of major white-collar functional disciplines – "big cities, big disciplines".

We have achieved scale to a degree through selected acquisitions, but also very much through organic growth. From 2004 to 2007 our organic revenue grew by 177%.

Values

We have certain core values that drive the way we do things. The attributes of these values are upmost in our minds from the moment we are interviewing people to join us, to how we deal with clients, candidates and other stakeholders, through to how we work together as a team. At Ambition, they are not just lip service:

- Integrity
- Respect
- Passion
- Excellence
- Teamwork

Ambition Group Limited BUSINESS OVERVIEW

LONDON

LONDON

**Witan
Jardine**

Areas of Business:

- Accountancy
- Tax
- Operations & middle office
- Marketing & sales

Witan Jardine is one of London's leading recruitment consultancies, acquired by Ambition Group in January 2008. Witan Jardine works with leading businesses in a wide range of industry sectors. Temporary assignments last from a week to 12 months, and permanent placements range up to 'c' level roles.

HONG KONG

ambition

Areas of Business:

- Commerce accounting
- Banking & finance
- Marketing & media

Ambition Hong Kong is one of the leading recruiters in the Hong Kong market. We have a strong portfolio of multinational and finance sector clients on Hong Kong Island, a diverse range in Kowloon plus a growing number in mainland China.

SINGAPORE

ambition

Areas of Business:

- Commerce accounting
- Banking & finance

Ambition Singapore specialise in accounting and banking appointments at mid and senior levels. Candidates are sourced locally as well as from other Asian cities, Australia and increasingly London. We also handle some roles in the rapidly growing neighbouring countries.

SYDNEY CBD & PARRAMATTA

ambition

Areas of Business:

- Commerce accounting
- Banking & finance
- Information technology

Ambition Sydney is the Group's largest office. We also have an office in Parramatta, in Sydney's Western Suburbs, servicing major corporations in manufacturing, logistics, pharmaceuticals and retail etc. All divisions have a strong presence in contracting/interim solutions as well as permanent hire. We operate from senior management down to young professional level.



SYDNEY



Areas of Business:

- Government & not-for-profit
- Commerce
- Banking & finance

Watermark Search International is one of Australia's leading executive search practitioners – CEO, CIO, CFO and other senior searches are conducted for clients in commerce & industry, government and financial services. Watermark has its own in-house research team.

SYDNEY CBD, CHATSWOOD & KOGARAH



Areas of Business:

- Commerce/banking & finance accounts
- Banking operations
- Credit management
- Payroll

AccountAbility specialises in clerical and junior accounting positions, plus all levels of credit and payroll. We have offices in Sydney, Chatswood and Kogarah. Temporary jobs vary from 1 day up to a year; permanent roles from TAFE graduates up to those with several years experience.

SYDNEY CBD, CHATSWOOD & KOGARAH



Areas of Business:

- Administrators
- Personal assistants
- Executive assistants
- Secretaries
- Customer service

love* specialises in permanent and temporary roles across a wide variety of industries. Clients are both small and large enterprises. Most importantly, the love* brand and the people in the team genuinely understand and relate to their market.

MELBOURNE



Areas of Business:

- Commerce accounting
- Banking & finance
- Information technology

Ambition Melbourne specialises in finance, accounting and information technology appointments in both commerce and the finance sector. We resource for roles from graduates up to senior management level. Alongside the CBD we service clients in the Eastern and Western Suburbs.

BRISBANE



Areas of Business:

- Executive
- Accounting
- Office support
- Banking

The Group is represented in Brisbane by the 100% owned McGinty Recruitment and also by love*. Operations are broadly-based although the key types of role filled include executive appointments, senior financial executives and accounts support. McGinty enjoys a tremendous market reputation and a high level of repeat business.

Chairman's Overview

Last year your company posted a record full year after tax profit. The financial highlights are as follows:

- Revenue up 34% to \$79.1 million
- Earnings before tax up 11% to \$5.6 million
- Net profit after tax up 10% to \$4.0 million
- Contracting revenue up 31%
- Number of consultants at end of period up 65% to 145
- Diluted EPS of 12.4 cents per share (2006: 13.2 cents per share)
- Total dividends for 2007: 6.0 cents fully-franked (2006: 4.5 cents)

The market

During the year the white-collar recruitment market continued to display solid demand and supply characteristics. Employer confidence led to consistent requirements for high calibre talent and whilst the supply of the best people was not abundant, our specialisation enabled us to find the right candidates for our clients.

These favourable dynamics, combined with our steadfast belief in the positive long-term outlook for our industry, encouraged us to continue to invest in the company. Of particular note was the rapid growth in our consultant numbers. We brought new consultants into every office, a strategy that will bring revenue and profit benefits in future periods.

Key acquisition

In January 2008, we completed our largest acquisition to date when we brought the London-based Witan Jardine into the Group.

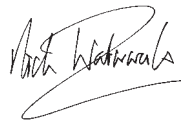
Witan Jardine is an excellent company with a long and successful track record. The culture and emphasis on quality is also incredibly similar to that of Ambition. But that, in itself, wasn't enough for us. It was our conviction that we would be able to harness our international presence to source professionals for our clients around the world, thus providing a strong competitive advantage in delivering

recruitment solutions, that persuaded us that this would be a good marriage. We are already seeing this come in to play with candidate movement, both temporary and permanent, as well as noticeable levels of client referrals.

Furthermore, this added around 50% to our staff numbers, provided an instant boost to profits and the associated capital raising enabled us to attract a considerable number of new institutions to our share register.

Dividend

Your directors have also been delighted to announce, in the interest of shareholders, an increase in full-year dividends from 4.5 cents per share in 2006 to 6 cents per share last year. This reflects the growing maturity of the business and our confidence of continued performance going forward.



Nick Waterworth
Executive Chairman





Group Managing Director's Review

Our growth during 2007 was achieved organically, with no acquisitions during the year - all major business lines increased revenue and market share year-on-year.

Investment in the future

White-collar recruitment remained strong during 2007 and the Board took a conscious decision to invest in many facets of our operations with the commitment to shareholders of building a robust, sustainable business. Consultant numbers were increased aggressively - we successfully attracted a considerable number of people new to the recruitment industry who were put through our in-house training scheme, as well as selected high-calibre experienced consultants. We started 2007 with 88 consultants, growing to 145 by year's end.

We also increased our focus on internal leadership development, with the aim of further enhancing our Divisional Managing Directors' and Operating Directors' skills and expertise. We have one of the most talented management teams in the industry and it is this strength that allowed us to increase our staff numbers, successfully blending new people into our existing teams.

Brand momentum

A cornerstone of our strategy is our house of brands approach. We have a select stable of brands, each highly tuned to their specialised markets and each employing people with specifically relevant skills and characteristics.

Momentum was gained in all of our brands during the last 12 months, resulting in significantly increased levels of general enquiries and referrals to all businesses. Our strategic plan hinges on the long-term aim of building a meaningful presence in executive search, middle management recruitment and clerical/administration staffing in major cities across Australia, Asia and Europe. Our internal catch-cry is "big cities, big disciplines".

International leverage

For the past several years we have been building a strong business in the Asia-Pacific, the most rapidly growing economic region in the world.

In January 2008, we concluded our acquisition of the London-based Witan Jardine, a move that should transform the company and substantially increase our ability to leverage off the increasing number of white-collar workers moving internationally. We will immediately be able to source more contract employees for our clients in the UK and Australia, via the working holiday visa schemes operating in both countries. Furthermore, we will have significantly greater reach in searching for hard to find, specialised skills for our clients in Asia.

The best team in town

I would like to add a personal thank you to our people. The world of recruitment is fast-paced and highly pressurised. Success is predicated on having top class consultants and support teams and our people pass this test with flying colours - they are simply extraordinary.

We're also delighted to welcome the Witan Jardine team on board. They are an exceptional team with many innovative operating methodologies, and we are already gaining mutual benefit from working closely together.

With our rapidly growing scale and diversity, we are able to offer people increasingly exciting career paths around the group. This is an important contributor to our enviably high retention rates.

Group Managing Director's Review continued

Divisional review

There were some key achievements in each business:

Ambition: is the largest business in the group and is a specialist in accounting, banking & finance, technology and marketing. Particular note should be made of expansion in Melbourne and Sydney, and also the success achieved during our first full year in Singapore.

AccountAbility: specialises in accounts support and functions such as credit and payroll. A new branch was opened in Kogarah in Sydney's south towards the end of the year and this has made an encouraging start. The city and Chatswood branches also performed well.

Watermark: is our search business, executing retained assignments for CEOs, CFOs, and CIOs etc. During the year we expanded the Partnership with new partners particularly focused on growing our client base in commerce and industry. Our market-leading Government Practice also had a strong year.

love* recruitment: is the group's offering in administration/secretarial support. 2007 was the first full year for love* and saw us begin to build brand traction, gaining some notoriety as a new player with many innovative ideas. love* was introduced to and successfully recruited for many existing clients of other parts of the group.

McGinty: During 2007 we relocated our Brisbane office to position ourselves for expansion over the next 5 years. Our team responded well to the acutely candidate short market in Queensland, especially at the newly-qualified accountant and accounts support level - due to our reputation and the skilful work of our people, the levels of candidate referrals received during the year increased, reducing our reliance on the traditional online and print media sources.

In conclusion

We are in good shape and I am very confident of our ability to significantly increase revenue and profit over the medium-term.



Paul Lyons
Group Managing Director

FOR THE
YEAR ENDED
31 DECEMBER
2007

FINANCIAL REPORT

Corporate Governance Statement	22
Directors' Report	26
Auditor's Independence Declaration	33
Income Statement	34
Balance Sheet	35
Statement of Changes in Equity	36
Cash Flow Statement	38
Notes to the Financial Statements	39
Directors' Declaration	72
Independent Audit Report	73
Additional Information	75

Corporate Governance Statement

Compliance with ASX Best Practice Recommendations

Except as disclosed below, the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ending 31 December 2007.

The Board and management of Ambition Group Limited recognise the benefits of independence, and support the ASX guidelines in this regard. However, it is not appropriate or effective for Ambition, a small listed entity, to expand the size of the Board and its Committees to the extent required to meet the following recommendations:

- 2.1 Majority of the board should be independent;
- 2.2 The chairperson should be an independent director;
- 2.4 The board should have a nomination committee; and
- 4.3 Structure of the audit committee.

The ASX definition of substantial shareholder is used for the purpose of this statement.

Board composition and charter

The names of the Directors of the company are:

Nick Waterworth;
Paul Lyons;
Paul Young; and
Andrew Adamovich.

The Constitution of Ambition provides that the Board may comprise a minimum of three Directors and a maximum of ten Directors. The Board shall comprise directors with broad skills and experience that will add value to the integrity and decision-making effectiveness of the Board. The Chairperson is elected by the Directors.

The Board currently comprises two executive directors, one of whom is Chairman, and two non-executive directors.

Responsibilities of the Board, either directly or through its committees, include:

- overseeing and directing the company on behalf of shareholders;
- appointing and removing key executive officers;
- approving operating and capital budgets;
- reviewing and approving risk; management & internal control systems;
- reviewing and approving codes of conduct;
- ensuring legal compliance;
- monitoring senior management performance;

- reviewing and approving key executive remuneration;
- reviewing external auditor reports; and
- monitoring the financial performance of the group.

The Board has established the following committees:

- Audit Committee; and
- Remuneration Committee.

The Board has not established a Nomination Committee.

Responsibility for the day-to-day management of the company is delegated by the Board to the Group Managing Director assisted by the management team. The Group Managing Director manages the company in accordance with the strategy, plans and delegations approved by the Board.

Directors are expected to comply with their legal, statutory and equitable duties and obligations when discharging their responsibilities as Directors. This includes acting in good faith and with due care and diligence.

Directors must avoid conflicts wherever possible. They must disclose to the Board any actual or potential conflicts of interest, and take reasonable measures to resolve such conflicts.

Directors may access such information and seek such independent advice as they individually or collectively consider necessary to fulfil their responsibilities and permit independent judgement in decision-making.

At every Annual General Meeting one-third (or at least two) of the Directors must retire and are eligible to offer themselves for re-election. The Directors to retire are the longest in office since last being elected or re-elected.

The Chairman reviews the performance of the Board annually. The evaluation includes the Board's role, its processes and committees and performance.

The Board may meet in person or otherwise for the despatch of business, and may regulate their meetings as they see fit. Meetings of the Board occur approximately every two months, and proceedings are in accordance with the rules of the Constitution of the company.

Remuneration Committee

The Committee consists of the non-executive directors, currently Paul Young and Andrew Adamovich. The Chairperson, Paul Young, is not the Chairperson of the Board. The responsibilities of the Committee include a review of and recommendation to the Board on:

- remuneration and incentive policies for the executive directors;
- remuneration and incentive policies for key executives;
- the company's recruitment, retention and termination policies and procedures for senior management;
- incentive schemes for employees; and
- the remuneration framework for non-executive directors.

The Committee meets once annually or as otherwise required. The meeting is minuted and the minutes tabled at the next convenient Board meeting.

Remuneration policies

A remuneration policy has been established for the Executive Chairman and Group Managing Director. The Remuneration Committee has developed the policy after consultation with an independent remuneration consultant. The policy provides for the payment of a base remuneration, including superannuation and non-cash benefits, plus a performance incentive. The performance incentive is based on the annual financial result of the consolidated group, and is paid annually after completion of the annual external audit of the consolidated group's accounts. The board is proposing to shareholders at the Annual General Meeting that part of the performance incentives be based on long-term results.

The Executive Chairman and Group Managing Director determine the remuneration of all employees. Remuneration may consist of a base remuneration, and short-term and long-term performance incentives. The level of remuneration is set to ensure the company is able to attract and retain employees of a high calibre.

There are no schemes for retirement benefits other than statutory superannuation.

A detailed review of Director and Executive remuneration policies and structures is contained in the Remuneration Report on page 29.

Audit Committee

The committee consists of the non-executive directors, currently Paul Young and Andrew Adamovich. All members are financially literate, with at least one member having financial expertise. The Chairperson, Paul Young, is not the Chairperson of the Board. The role & responsibilities of the Audit Committee include:

- providing a link between the external auditors and the Board;
- reviewing the performance and independence of the external auditors;
- assessing information from external auditors that may affect the quality of the financial reports;
- reviewing the integrity of the company's financial reports with management, advisors and auditors as appropriate;
- recommending for adoption by the Board interim and final financial reports and the annual report;
- reviewing accounting policies adopted or any changes made or contemplated;
- reviewing procedures in place to ensure compliance with laws and regulations;
- reviewing procedures in place to verify the accuracy and effectiveness of accounting and financial systems and other systems of internal control and business risk management;
- recommending to the Board the terms and conditions of engagement for the external auditor;
- approving the scope of the external audit for Board approval; and
- approving all non-audit services provided by the external auditors.

The Committee has the right to conduct or authorise investigations into any matter within the scope of its responsibilities.

The Committee shall meet at least twice yearly. Key executives of the company may attend the meetings by invitation. The Company Secretary shall be the secretary of the Committee. The meeting shall be minuted and the minutes tabled at the next convenient Board meeting.

Code of Conduct

Ambition aims to maintain a high standard of ethical business behaviour in its dealings with clients and candidates, suppliers, and with its employees. The Board has established a Code of Conduct, which sets the standards of behaviour expected of all the group's employees.

Continuous Disclosure

Ambition's shares are listed on the Australian Stock Exchange ("ASX"), and the company is subject to the Listing Rules of the ASX. The rules relating to continuous disclosure obligations are dealt with in Chapter 3 of the ASX Listing Rules.

Where we become aware of any information concerning the company that might reasonably be expected to have an impact on the price or value of our shares, then we will immediately give that information to the ASX.

Share Trading

Employees of Ambition may only trade the company's shares during Open Periods. These periods must be advised by the Company Secretary or Chairman and generally include the 28 days immediately following:

- release to the ASX of the company's annual result;
- release to the ASX of the company's half-year result;
- release to the ASX of any profit guidance statements; and
- the company's Annual General Meeting.

Shareholder Communication

The Chairman is responsible for communication with analysts, significant stakeholders and the business community in general. The Company Secretary is responsible for communication with the ASX and other regulatory bodies.

Ambition's primary source of communication is through its websites, which contain details of senior management, company announcements, financial reports, and notices to shareholders.

Ambition's share registry is maintained by Computershare Investor Services. Investors may access information relating to their investment by registering on the Computershare website.

Directors' Report

The Directors of Ambition Group Limited present their report on the company and its controlled entities for the year ended 31 December 2007.

Directors

The names of directors in office at any time during or since the end of the year are:

Nick Waterworth;
Paul Lyons;
Paul Young; and
Andrew Adamovich.

Company Secretary

On 30 January 2007 Geoff Hickin resigned his position as Company Secretary.

On 30 January 2007 Victor Cuthell was appointed to the position of Company Secretary.

Principal Activities

The principal activities of the consolidated group during the year were recruitment in the accounting, finance and information technology disciplines.

Operating Results

The results for the year have been prepared under the Australian equivalents to International Financial Reporting Standards (AIFRS).

The consolidated profit of the group before income tax amounted to \$5,608,000 (2006: \$5,068,000). The consolidated profit of the group after income tax amounted to \$4,046,000 (2006: \$3,674,000).

Review of Operations

Ambition's performance in 2007 was characterised by strong revenue growth and record results for the group. Ambition achieved exceptional profits across all of its existing businesses and results exceeded expectations in each of its market segments. The group achieved revenue growth of 34% and profit before tax increased 11% over the prior year.

In Australia, revenue increased by 36% over the prior year. The Australian business again produced a strong performance in its Accounting and Finance business. In Asia, revenue increased 23% over the prior year. Our business in Hong Kong performed strongly and this reflects its commanding position in the market. Our Singapore office continued to develop its business since opening and further growth is expected.

Dividends Paid or Recommended

An interim fully franked dividend of 2 cents per share was declared in respect of the six months to 30 June 2007. The dividend was paid in September 2007.

A final fully franked dividend of 4 cents per share has been declared. The record date for determining entitlements to the dividend is 15 January 2008. The dividend will be paid on 20 March 2008.

Financial Position

The net assets of the consolidated group have increased from \$16,011,000 as at 31 December 2006 to \$19,420,000 as at 31 December 2007. The increase has largely resulted from a strong operating performance in the group.

Non-audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethics Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 31 December 2007:

Taxation services Australia	\$82,176
Other general advice*	\$28,263
	<hr/>
	\$110,439

* includes advice regarding the purchase of Witan Jardine, overseas secretarial and accounts preparation services and advice regarding various general accounting and disclosure matters.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2007 has been received and can be found on page 33.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the parent entity during the financial year.

Events subsequent to balance date

Since the end of the year Ambition Group Limited purchased a UK Company, Witan Jardine Holdings Limited ("Witan Jardine") which was financed by a capital raising of A\$23.4 million in January 2008. Initial consideration was £11.5 million (A\$27 million) and a further payment will be made in February 2009 based on results for 2008 and this is expected to be approximately £4.5 million (A\$10.6 million). This acquisition will have a positive impact on the group's business with new prospects for growth and development expected as a result.

Future Developments, Prospects and Business Strategies

Future developments in the group and the expected performance in future financial years are as follows:

- Continued positive contribution from each of the group's business and close monitoring to ensure positive results in all segments
- Pursuit of the consolidated group's policy of increasing market share, with a view to continued and increasing profitability.
- Further development of the group's recruitment businesses, particularly in Asia and the UK.

Environmental Issues

As the consolidated group's principal activity relates to recruitment, there are no environmental regulations with which it must comply. The group is not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Information on directors

Nick Waterworth	Chairman (Executive).
<i>Qualifications</i>	Honours Degree in Economics (York University UK).
<i>Experience</i>	Co-founder of Ambition Group. Appointed Chairman 26 June 2003. Board member since inception in August 1999.
<i>Interest in shares</i>	6,505,281 ordinary shares.
<i>Special responsibilities</i>	Nick is Executive Chairman and Co-Founder of Ambition. He has responsibility for business development, including acquisitions, as well as formulating strategy and growth plans, alongside handling investor relations. Operationally, Nick works with the directors of AccountAbility, love*, McGinty and Watermark on expanding these businesses. Nick has been in executive recruitment for 27 years and has experience in Australia, New Zealand and the UK.
Paul Lyons	Director (Executive).
<i>Qualifications</i>	Honours Graduate in Accounting & Financial Administration (University of Wales), Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants in Australia, CPA Australia, member of Institute of Internal Auditors.
<i>Experience</i>	Co-founder and Group Managing Director of Ambition Group. Board member since inception in August 1999.
<i>Interest in shares</i>	5,208,249 ordinary shares.
<i>Special responsibilities</i>	Paul is Group Managing Director and Co-Founder of Ambition and has responsibility for the day-to-day operations of Ambition in Australia and Asia. Paul is active in the development and execution of a strategic blueprint for, and further expansion of, our Asian business. He manages the operations in Australia and also sets marketing and branding direction for the Group. Paul is a Chartered Accountant and a CPA and has 25 years recruitment experience in Australia, Asia and the UK.
Paul Young	Director (Non-Executive).
<i>Qualifications</i>	Honours degree in Economics (Cambridge University UK). Associate of Institute of Chartered Accountants in England and Wales, Fellow of Australian Institute of Company Directors.
<i>Experience</i>	Paul is an Executive Director and Co-Founder of Baron Partners Limited, a corporate advisory business. Paul has been involved in many domestic and cross border advisory assignments in a wide range of sectors, including recruitment, for over 20 years. He provides significant guidance to Ambition regarding corporate finance, capital raising and capital management matters. Paul is also Chairman of Tidewater Investments Limited, Deputy Chairman of Peter Lehmann Wines Limited, and a Director of Thomas & Coffey Limited, Sapex Limited and Enware Australia Pty Limited.
<i>Interest in shares</i>	1,470,493 ordinary shares.
<i>Special responsibilities</i>	Chairman of the Audit Committee & Remuneration Committee.

Andrew Adamovich	Director (Non-Executive).
<i>Qualifications</i>	University of California, Berkeley, U.S.A Bachelor of Arts.
<i>Experience</i>	Andrew is a Non-Executive Director of Ambition and, having lived and worked in Hong Kong and China for many years, supplies much input on Asia and the expansion of our business in this region. Andrew is a Founder and Director of Riverland Capital Limited, Director of Amara Enterprises Limited, Yuan Chuan (Cayman) Limited, China Education Corporation, G2 Therapies Limited and ASX-listed Hostworks Limited. Previously Andrew was an Associate with the Zurich Centre Group and a Director at Equity Partners Asia Limited. Andrew has wide-ranging business experience and a background in direct investment.
<i>Interest in shares</i>	570,000 ordinary shares.
<i>Special responsibilities</i>	Member of the Audit Committee & Remuneration Committee.

Remuneration Report

a. Remuneration Policy

The remuneration policy of Ambition Group Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component, and offering specific short and long-term variable components based on key performance criteria. The board of Ambition Group Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated group, as well as create goal congruence between directors, senior executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for directors and executives is as follows:

- The remuneration of executive directors is set by the Remuneration Committee following independent external advice. Remuneration comprises a fixed base salary and performance incentive. The policy is subject to board approval.
- Executive remuneration is determined by the Chairman and Group Managing Director, and is subject to board approval. Remuneration comprises a fixed base salary and performance incentive. Executives are also eligible to participate in the company's Long Term Incentive (LTI) Plan.

The performance of executives is measured against criteria agreed annually with each executive and is based predominantly on the financial performance of the operating division for which the senior executive is responsible. The board may, at its discretion, review the performance criteria and level of incentive at times other than annually to ensure rewards are appropriate.

Executives are entitled to participate in the company's LTI Plan. The plan provides for the allocation of Ambition shares to executives of the company at the discretion of the Board. The shares are issued via an independent Trustee and held in trust subject to issue on the meeting of certain service and performance hurdles. The shares may vest over a period of up to four years following granting, and the hurdles are applied in each vesting period.

Directors and executives receive a superannuation guarantee contribution required by the government, and do not receive any other retirement benefits. Individuals may sacrifice part of their remuneration to increase payments towards superannuation.

The remuneration of non-executive directors is fixed at \$30,000 per director.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

b. Performance-based remuneration

The remuneration of the executive directors and senior management includes a performance-based component. In the case of the executive directors, this component is based on the financial performance of the Group, and in the case of senior management, the performance of the operating division for which they are responsible and the financial performance of the Group. The performance-based component of the executive directors' remuneration is periodically recommended by the Remuneration Committee for approval by the Board. Performance-based remuneration of senior management is annually recommended to the Board by the executive directors.

c. Performance-based income as a proportion of total remuneration

Executive directors and senior management are paid performance bonuses based on set monetary figures, rather than as proportions of their salary. This has led to the proportions of remuneration related to performance varying for each individual. The level of performance-based remuneration is determined such that it provides sufficient incentive and encouragement for the individual to achieve agreed goals and objectives.

d. Company performance and remuneration

The table below illustrates the relationship between remuneration policy and the company's performance.

	2007	2006	2005	2004	2003	Change	
	\$'000	\$'000	\$'000	\$'000	\$'000	2006/07	2005/06
						%	%
Consolidated							
Profit before tax	5,608	5,068	2,589	560	(540)	10.7%	95.7%
Net profit after tax	4,046	3,674	1,803	560	(540)	10.1%	103.8%
	\$	\$	\$	\$	\$	%	%
Basic EPS (cents)	12.47	13.21	8.50	3.55	(3.54)	(5.6%)	55.4%
Diluted EPS (cents)	12.43	13.17	7.07	3.55	(3.54)	(5.6%)	86.3%
Dividend (cents)	6	4.50	–	–	–	33%	–
Share Price (31 Dec)	1.40	1.15	0.55	0.72	0.47	21.7%	109.1%
Total Remuneration							
(key management personnel)	1,157,683	1,306,677	991,728	791,928	724,188	(11.4%)	31.8%

e. Employment contracts of directors and senior executives

The employment conditions of the executive directors and specified executives are formalised in contracts of employment. All executives are permanent employees of Ambition Corporate Services Pty Limited, a wholly owned group entity responsible for the employment of all personnel. The employment contracts stipulate a range of three to twelve month resignation periods. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the case of serious misconduct, employment can be terminated without notice.

f. Details of remuneration

The remuneration of each director and the key management personnel of the consolidated group receiving the highest remuneration during the year was as follows:

	Salary & Fees	Super- annuation	Cash Bonuses	Non-cash Benefits	Equity	Total
Directors						
Nick Waterworth	228,977	12,720	55,000	8,303	-	305,000
Paul Lyons	228,284	9,946	55,000	11,770	-	305,000
Paul Young	30,000	-	-	-	-	30,000
Andrew Adamovich	30,000	-	-	-	-	30,000
	517,261	22,666	110,000	20,073	-	670,000
Specified Executives						
Geoff Hickin	132,126	4,240	-	12,804	-	149,170
Victor Cuthell	266,655	11,660	-	-	60,198	338,513
	398,781	15,900	-	12,804	60,198	487,683

1. Victor Cuthell was appointed 30 January 2007.

2. Geoff Hickin resigned his position as Company Secretary on 30 January 2007 and ceased employment on 5 April 2007.

Aside from the Directors, there were only two other key management personnel of the consolidated group.

Options

	Opening Balance	Options Exercised	Closing Balance	Total Vested	Total Exercisable
Specified Executives					
Geoff Hickin	100,000	100,000	-	-	-

There were no options granted as remuneration during the year.

Meetings of Directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Nick Waterworth	7	7	-	-	-	-
Paul Lyons	7	7	-	-	-	-
Paul Young	7	7	2	2	1	1
Andrew Adamovich	7	7	2	2	1	1

Indemnifying officers or auditor

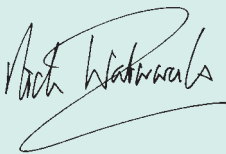
During the year, the consolidated group paid an insurance premium of \$16,083 (2006: \$17,175) in respect of a contract insuring each of the Directors of the consolidated group and each full time Executive Officer, against all liabilities and expenses arising as a result of work performed in their respective capacities to the extent permitted by law.

No indemnities have been given or insurance premiums paid during or since the end of the financial year in favour of the auditors of the company.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or 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.

Signed in accordance with a resolution of the Board of Directors.



Nick Waterworth
Executive Chairman

19 March 2008



Paul Lyons
Group Managing Director



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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AMBITION GROUP LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Ambition Group Limited for the year ended 31 December 2007, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b No contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

A handwritten signature in black ink, appearing to read "G S Layland".

G S LAYLAND
Partner

Sydney, 19 March 2008

Income Statement

for the year ended 31 December 2007

	Note	Consolidated Group		Parent Entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Revenue	2	79,138	59,054	3,000	2,500
Employee benefits expense		(25,177)	(17,181)	-	-
On-hired labour costs		(36,504)	(28,109)	-	-
Payroll taxes		(1,050)	(746)	-	-
Depreciation and amortisation expense	3	(657)	(450)	-	-
Finance costs	3	(258)	(399)	(258)	(399)
Advertising and marketing		(2,039)	(1,891)	-	-
Computer expenses		(445)	(332)	-	-
Rental expense on operating leases	3	(1,829)	(1,223)	-	-
Other expenses		(5,571)	(3,655)	-	-
Profit before income tax		5,608	5,068	2,742	2,101
Income tax expense	5	(1,562)	(1,394)	3	57
Profit after income tax expense		4,046	3,674	2,745	2,158
Basic earnings per share (cents per share)	9	12.47	13.21		
Diluted earnings per share (cents per share)	9	12.43	13.17		

These financial statements should be read in conjunction with the accompanying notes.

Balance Sheet

	Note	Consolidated Group		Parent Entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Current assets					
Cash and cash equivalents	10	3,107	6,093	-	-
Trade and other receivables	11	12,393	8,634	-	-
Other current assets	12	261	110	-	-
Total current assets		15,761	14,837	-	-
Non-current assets					
Financial assets	13	9	1	22,997	19,933
Property, plant and equipment	14	1,997	842	-	-
Intangible assets	15	12,570	11,202	-	-
Deferred tax assets	16	927	948	-	-
Total non-current assets		15,503	12,993	22,997	19,933
Total assets		31,264	27,830	22,997	19,933
Current liabilities					
Trade and other payables	17	8,734	10,046	-	-
Current tax liabilities	16	874	918	-	-
Short-term provisions	19	652	300	-	-
Financial liabilities	18	744	-	-	-
Total current liabilities		11,004	11,264	-	-
Non-current liabilities					
Deferred tax liabilities	16	641	364	-	-
Long-term provisions	19	199	191	-	-
Total non-current liabilities		840	555	-	-
Total liabilities		11,844	11,819	-	-
Net assets		19,420	16,011	22,997	19,933
Equity					
Issued capital		21,100	19,025	21,100	19,025
Reserves	22(b)	(1,274)	(318)	-	-
Retained earnings/Accumulated losses	22(a)	(406)	(2,696)	1,897	908
Total equity		19,420	16,011	22,997	19,933

These financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 31 December 2007

	Consolidated Group			
	Issued capital \$'000	Accumulated losses \$'000	Reserves \$'000	Total \$'000
Balance at 1 January 2006	15,578	(6,062)	(15)	9,501
Adjustment arising from translation of foreign controlled entity's financial statements	-	-	(303)	(303)
Income recognised directly in equity	-	-	(303)	(303)
Profit attributable to members of parent entity	-	3,674	-	3,674
Total recognised income/(expense) for the period	-	3,674	(303)	3,371
Notes converted	2,528	-	-	2,528
Shares issued under Dividend Reinvestment Plan	79	-	-	79
Share placements	222	-	-	222
Shares issued under employee share plans	618	-	-	618
	19,025	(2,388)	(318)	16,319
Dividends paid	-	(308)	-	(308)
Balance at 1 January 2007	19,025	(2,696)	(318)	16,011
Adjustment arising from translation of foreign controlled entity's financial statements	-	-	(212)	(212)
Movement in value of hedge reserve	-	-	(744)	(744)
Income/(expense) recognised directly in equity	-	-	(956)	(956)
Profit attributable to members of parent entity	-	4,046	-	4,046
Total recognised income/(expense) for the period	-	4,046	(956)	3,090
Shares issued under Dividend Reinvestment Plan	446	-	-	446
Share placements	717	-	-	717
Shares vesting under share option plans	178	-	-	178
Shares issued under employee share plans	734	-	-	734
	21,100	1,350	(1,274)	21,176
Dividends paid	-	(1,756)	-	(1,756)
Balance at 31 December 2007	21,100	(406)	(1,274)	19,420

These financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 31 December 2007

	Parent Entity			Total \$'000
	Issued capital \$'000	Retained earnings \$'000	Reserves \$'000	
Balance at 1 January 2006	15,578	(942)	–	14,636
Profit attributable to members of parent entity	–	2,158	–	2,158
Total recognised income for the period	–	2,158	–	2,158
Convertible notes converted	2,528	–	–	2,528
Shares issued under Dividend Reinvestment Plan	79	–	–	79
Share placements	222	–	–	222
Shares vesting under employee share plans	618	–	–	618
	19,025	1,216	–	20,241
Dividends paid	–	(308)	–	(308)
Balance at 1 January 2007	19,025	908	–	19,933
Profit attributable to members of parent entity	–	2,745	–	2,745
Total recognised income for the period	–	2,745	–	2,745
Shares issued under Dividend Reinvestment Plan	446	–	–	446
Share placements	717	–	–	717
Shares vesting under share option plans	178	–	–	178
Shares issued under employee share plans	734	–	–	734
	21,100	3,653	–	24,753
Dividends paid	–	(1,756)	–	(1,756)
Balance at 31 December 2007	21,100	1,897	–	22,997

These financial statements should be read in conjunction with the accompanying notes.

Cash Flow Statement

for the year ended 31 December 2007

	Note	Consolidated Group		Parent Entity	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash flows from operating activities					
Receipts from customers		85,652	61,320	-	-
Payments to suppliers and employees		(80,672)	(56,802)	-	-
Interest received		122	120	-	-
Income tax paid		(1,298)	(216)	-	-
Interest and other costs of finance paid		(11)	(300)	-	-
Net cash provided by operating activities	23(a)	3,793	4,122	-	-
Cash flows from investing activities					
Payments to acquire plant and equipment and leasehold improvements		(603)	(416)	-	-
Acquisition deferred purchase payment	15	(4,035)	(3,206)	-	-
Payments for acquisition costs		(1,341)	(111)	-	-
Net cash used by investing activities		(5,979)	(3,733)	-	-
Cash flows from financing activities					
Proceeds from the issue of equity securities		50	229	-	-
Payments for share issue costs		(55)	(7)	-	-
Dividends paid		(539)	(308)	-	-
Net cash used by financing activities		(544)	(86)	-	-
Net cash (used) provided by financing activities		(2,730)	303	-	-
Cash at the beginning of financial year					
Cash at the beginning of financial year		6,093	5,475	-	-
Effect of exchange rates on cash holdings in foreign currencies		(256)	315	-	-
Cash at the end of financial year	10	3,107	6,093	-	-

These financial statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report complies with International Financial Reporting Standards in their entirety.

The financial report covers the consolidated group of Ambition Group Limited and controlled entities, and Ambition Group Limited as an individual parent entity. Ambition Group Limited is a listed public company, incorporated and domiciled in Australia.

The Parent Entity is a company of a kind referred to in Australian Securities and Investments Commission Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in this financial report are rounded to the nearest thousand dollars unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied to all years stated, unless otherwise stated.

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity controlled by Ambition Group Limited whereby Ambition Group Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities.

All intercompany balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

A list of controlled entities is contained in Note 20 to the financial statements. All controlled entities have a December financial year-end.

b. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or non-allowable items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

1. Basis of Preparation (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Ambition Group Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. Ambition Group Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The group has notified the ATO that it has formed an income tax consolidated group to apply for the tax year 30 June 2004 onwards.

The consolidated group has entered a tax sharing arrangement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

c. Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the consolidated group and by reference to the stage of completion of the contract.

Retained permanent recruitment revenue is recognised in three stages – upon commencement of an assignment, following submission of a short-list of candidates and upon its completion.

Contingent permanent recruitment revenue is recognised upon completion of an assignment.

Contracting revenue is recognised when the services are provided.

d. Plant and Equipment

Plant and equipment are measured on a cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors 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.

e. Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated group 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 lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

- Leasehold improvements 20%–35%
- Plant and equipment 20%–40%

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 and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the consolidated group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged on a straight-line basis.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis.

g. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

i. Available-for-sale financial assets

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

ii. Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

iii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

iv. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

1. Basis of Preparation (continued)

v. Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

vi. Derivative financial instruments and hedging

The group uses derivative financial instruments (forward currency contracts) to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the contract is entered into and are subsequently remeasured to fair value at balance date.

Derivatives are carried as assets when their value is positive and liabilities when their value is negative. Any gains/losses arising from changes in fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purposes of hedge accounting, hedges are classified as cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or a forecast transaction.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

Cash flow hedges are hedges of the group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction (finance costs) when the forecast transaction occurs.

The group tests each of the designated cash flow hedges for effectiveness on a frequent basis.

If the forecasted transaction is no longer expected to occur, amounts recognised in equity are transferred to the income statement.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to ineffectiveness), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

h. Impairment of Assets

At each reporting date, the group 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 income statement.

i. Intangibles

i. Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

ii. Web development costs

Web development costs are recognised at cost of acquisition. The website is considered to be a revenue generating asset and as such, all expenses incurred in the development of the website are capitalised as an intangible asset. The asset has a definite life and is carried at cost less accumulated amortisation and any impairment losses. Website development costs are amortised over their useful life of no more than three years.

j. Foreign Currency Transactions and Balances

i. Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report is presented in Australian dollars.

ii. Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

iii. Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained profits are translated at the exchange rates prevailing at the date of the transaction.

1. Basis of Preparation (continued)

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

k. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

l. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

n. Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o. Share-based Payments

The Group provides benefits to selected employees (including Directors) in the form of share-based payment transactions, whereby eligible employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions is measured by reference to their fair value at the date at which they were granted. This cost is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the benefit ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (a) the extent to which the vesting period has expired, and (b) the number of benefits that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for benefits that do not ultimately vest, except for benefits where vesting is conditional upon market conditions.

Where the terms of an equity-based benefit are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled benefit is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the benefit is recognised immediately. However, if a new benefit is substituted for a cancelled benefit, and designated as a replacement benefit on the date that it is granted, the cancelled and new benefit are treated as if they were a modification of the original benefit, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

p. Borrowing Costs

Borrowing costs attributable to the deferred purchase liability on acquisitions are brought to account over the deferred payment period. All other borrowing costs are recognised as expenses in the period in which they are incurred.

q. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

r. Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained externally and within the group.

The value and corresponding expense in relation to share-based payments is based on the probability, in the opinion of the Directors, of service and performance criteria being met.

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for goodwill in relation to acquisitions for the year ended 31 December 2007.

s. Adoption of new Accounting Standards

The consolidated group has adopted AASB 7 *Financial Instruments: Disclosures* and AASB 101 *Presentation of Financial Instruments* and all consequential amendments which became applicable on 1 January 2007. The adoption of these standards has only affected the disclosure in these financial statements. There has been no effect on the profit or the financial position of the group.

t. Impact of new standards not yet adopted

Amendment AASB 8 *Operating Segments* (effective 1 January 2009). This standard specifies how an entity should report financial information about its operating segments in the financial statements. Generally financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Implementation of this standard is expected to increase the number of segments as well as the manner in which the segments are reported, in a manner consistent with internal reports provided to the chief operating decision maker.

Management anticipate that this pronouncement will be adopted in the consolidated groups financial statements in the periods in which the statement is first effective.

Other new standards and interpretations have been issued but are not expected to have a material impact on the consolidated group's financial statements.

2. Revenue

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Recruitment services revenue	79,016	58,934	-	-
Dividends received – intercompany	-	-	3,000	2,500
Interest received	122	120	-	-
Total revenue	79,138	59,054	3,000	2,500

3. Profit from ordinary activities

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

Expenses

Finance costs				
– deferred purchase liability	247	211	247	211
– other	11	188	11	188
	258	399	258	399
Depreciation of non-current assets				
– plant and equipment	484	353	-	-
Amortisation of current assets				
– website	34	-	-	-
Amortisation of software	139	97	-	-
	657	450	-	-
Share-based payments expense	862	629	-	-
Rental expense on operating leases				
– minimum lease payments	1,829	1,223	-	-

4. Dividends

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Recognised Amounts				
Fully Paid Ordinary Shares				
Interim fully franked dividend of 2 cents per share franked at a rate of 30% (2006: 1c)	660	308	660	308
Unrecognised Amounts				
Fully Paid Ordinary Shares				
Final fully franked dividend of 4 cents per share franked at a rate of 30% (2006: 3.5c)	1,323	1,096	1,323	1,096
Adjusted franking account balance	1,387	1,118	1,387	1,118
Impact on franking account of dividends not recognised	(567)	(467)	(567)	(467)

On 3 January 2008 the Directors declared a fully franked final dividend of 4 cents per share in respect of the year ending 31 December 2007. The record date for determining entitlements is 15 January 2008 and the payment date is 20 March 2008.

Ambition has a Dividend Reinvestment Plan (DRP) which provides for the company to issue ordinary shares in lieu of cash payment of the dividend to shareholders who elect to, and are eligible to, participate in accordance with the rules of the DRP. The DRP share price is calculated at a 5% discount to the weighted average price of the five trading days preceding (and including) the record date.

5. Income tax expense

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
a. The components of tax expense comprise:				
Current tax	1,898	1,666	(3)	(57)
Deferred tax asset	(21)	137	-	-
Deferred tax liability	(277)	(364)	-	-
Under (over) provision in respect of prior years	(38)	(45)	-	-
	1,562	1,394	(3)	(57)
b. The prima facie tax on the profit before income tax is reconciled to income tax as follows:				
Income tax calculated at 30% of operating profit:				
- Consolidated group	1,682	1,520	-	-
- parent entity	-	-	823	630
Add tax effect of:				
- other non-deductible expenses	194	85	-	-
- non deductible interest on deferred consideration	74	63	74	63
Less tax effect of:				
- overseas tax differential	(350)	(229)	-	-
- dividend from wholly owned subsidiary	-	-	(900)	(750)
- overprovision in prior period	(38)	(45)	-	-
	1,562	1,394	(3)	(57)
Applicable weighted average effective tax rates	28%	28%	(1%)	(3%)

6. Directors and key management personnel remuneration

Names and positions held of parent entity directors and specified executives in office at any time during the financial year are:

Consolidated Group Directors

- Nick Waterworth Executive Chairman
- Paul Lyons Group Managing Director
- Paul Young Non-Executive Director
- Andrew Adamovich Non-Executive Director

Specified Executives

- Geoff Hickin Chief Financial Officer (resigned 30 January 2007)
- Victor Cuthell Chief Financial Officer (appointed 30 January 2007)

Aside from the Directors, there were only two Specified Executives in the consolidated group.

Remuneration of Directors & Specified Executives

	Primary			Post Employment	Equity		Total \$
	Salary and fees \$	Non-cash benefits \$	Incentives \$	Super \$	Shares \$	Options \$	
2007							
Directors							
Nick Waterworth	228,977	8,303	55,000	12,720	-	-	305,000
Paul Lyons	228,284	11,770	55,000	9,946	-	-	305,000
Paul Young	30,000	-	-	-	-	-	30,000
Andrew Adamovich	30,000	-	-	-	-	-	30,000
	517,261	20,073	110,000	22,666	-	-	670,000
Specified Executives							
Victor Cuthell	266,655	-	-	11,660	60,198	-	338,513
Geoff Hickin	132,126	12,804	-	4,240	-	-	149,170
	398,781	12,804	-	15,900	60,198	-	487,683
2006							
Directors							
Nick Waterworth	129,504	22,776	278,582	12,720	-	-	443,582
Paul Lyons	225,421	11,859	278,582	12,720	-	-	528,582
Paul Young	30,000	-	-	-	-	-	30,000
Alex Adamovich	-	-	-	-	-	-	-
Andrew Adamovich	20,000	-	-	-	-	-	20,000
	404,925	34,635	557,164	25,440	-	-	1,022,164
Specified Executives							
Geoff Hickin	128,285	38,995	40,000	12,720	64,513	-	284,513

6. Directors and key management personnel remuneration (continued)

Remuneration Options

There were no options granted as remuneration during the financial year.

Shareholdings

Number of shares held directly, indirectly or beneficially by parent entity Directors and Specified Executives:

	Opening Balance	Received as Remuneration	Net Change Other	Closing Balance
Directors				
Nick Waterworth	6,268,326	–	236,955	6,505,281
Paul Lyons	5,460,751	–	(252,502)	5,208,249
Paul Young	1,427,652	–	42,841	1,470,493
Andrew Adamovich	570,000	–	–	570,000
Specified Executives				
Geoff Hickin	512,500	–	(512,000)	–
Victor Cuthell	–	–	320,000	320,000

Nick Waterworth and Paul Lyons have a relevant interest in 4,924,998 shares held by Carefully Considered Investments Pty Limited.

Geoff Hickin resigned as Company Secretary on 30 January 2007 and as such is no longer considered key management personnel. Therefore his shareholding has been removed from the above note.

Shares issued to Executives under the Long Term Incentive Plan are subject to vesting provisions in accordance with the terms of the plan.

Options Holdings

Number of options held directly, indirectly or beneficially by parent entity Directors and Specified Executives:

	Opening Balance	Options Exercised	Closing Balance	Total Vested	Total Exercisable
Specified Executives					
Geoff Hickin	100,000	100,000	–	–	–

Remuneration Practices

The company's policy for determining the nature and amount of emoluments of board members and senior executives is as follows:

The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience and responsibilities, and the overall performance of the company. The contracts for service between the company, specified directors, and specified executives are on a continuing basis, the terms of which are not expected to change in the immediate future. There are no schemes for retirement benefits other than statutory superannuation.

The Remuneration Committee determines the remuneration structure for the Executive Chairman and Group Managing Director, after consultation with an external remuneration consultant. No directors' fees are paid to the Executive Chairman or Group Managing Director. Remuneration may consist of base remuneration including superannuation and non-cash benefits, plus a performance incentive. The performance incentive is based on the annual financial result of the consolidated group, and is paid annually after completion of the external audit of the consolidated group's annual accounts. The Board is proposing to shareholders at the Annual General Meeting that part of the performance incentives be based on long-term results.

Remuneration of senior executives is determined by the Executive Chairman and Group Managing Director, and ratified by the Remuneration Committee. Remuneration may consist of base remuneration, including superannuation and non-cash benefits, plus a performance incentive. Performance may take the form of short-term bonuses measured against agreed outcomes or an entitlement to shares in Ambition subject to vesting provisions. Vesting provisions are based on length of service and overall company performance.

The aggregate remuneration that may be paid to Non-Executive Directors is \$200,000. This remuneration may be divided amongst the Non-Executive Directors in such fashion as the Board may determine. Notice of any proposed increase in Non-Executive Director's aggregate remuneration must be given to members in the notice convening the general meeting at which the increase is to be proposed.

7. Employee share plans

Sharesave Plans

The "Exempt Sharesave Plan" is open to employees and enables the purchase of shares up to a maximum of \$1,000 in any one year. Shares are acquired at the beginning of each half-year at market rates. Shares cannot be sold for a period of three years. The plan has no vesting requirements. 74 employees participated in the plan during the financial year.

The "Deferred Sharesave Plan" operates for Australian employees with two purposes. It holds the long term incentive plan (see below) and, separately, it allows Australian employees to purchase shares with a minimum value of \$3,000. Shares are acquired at the beginning of each quarter at market rates. Vested shares can be sold quarterly after an initial holding period of 12 months. Sixteen employees participated in the plan during the financial year. The Sharesave Plans are operated in accordance with the terms of the plan Trust Deeds. An external Trustee appointed by the Board is responsible for the management and administration of the plans. The company pays all expenses incurred by the plan Trustee in operating the plans. The plan has no vesting requirements.

Long Term Incentive Plan

The employee Long Term Incentive (LTI) Plan is a component of the Deferred Sharesave Plan, and is offered to senior employees on a selective basis at the discretion of the Board. The LTI Plan comprises a periodic offer of shares which vest over periods of up to four years, subject to the meeting of service and performance criteria.

An employee's full entitlement to shares is issued on acceptance of the company's offer and held by the Trustee subject to the meeting of vesting conditions. Unvested shares are disclosed as Treasury Shares (Note 21) and are brought to account as an expense over the vesting period as service and performance criteria are met.

7. Employee share plans (continued)

	2007 No:'000	2006 No:'000
LTI shares in issue at the beginning of the year	3,287	1,337
Issued during the year	861	1,975
Transferred during the year	(465)	(25)
LTI shares in issue at the end of the year	3,683	3,287

Share Option Plan

The Employee Share Option Plan (ESOP) offers shares to selected employees at the discretion of the Board. The objectives of the plan are to assist in the recruitment, reward, retention, and motivation of employees.

The options granted under ESOP, which are not listed on the ASX, do not give any right to participate in dividend or rights issues until shares are allotted pursuant to the exercise of the relevant options. The number of shares issued on exercise of options will be adjusted for bonus issues made prior to the exercise of the options. The exercise price is fixed by the Board prior to the grant of options, and the options may be subject to other restrictions on exercise as may be determined by the Board prior to the grant of the options.

Details of employee shares options granted under ESOP are as follows:

	2007 No:'000	2006 No:'000
\$0.50 options granted 05.05.02, expiring 04.04.07	-	100
	-	100
Total number issued to employees during the period	150	-
Total number issued to employees since commencement of the scheme	1,190	1,040
Total number cancelled/exercised since commencement of the scheme due to termination of employment	1,190	940

8. Auditor's remuneration

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Remuneration of the auditor of the consolidated entity for:				
Audit services				
– Australian firm	96,107	76,500	–	–
– overseas practices of the Australian firm	23,103	17,065	–	–
Taxation services				
– Australian firm	82,176	27,735	–	–
– overseas practices of the Australian firm	2,269	4,558	–	–
Other services				
– Australian firm	17,950	58,546	–	–
– overseas practices of the Australian firm	10,313	–	–	–
	231,918	184,404	–	–

9. Earnings per share

	Consolidated Group	
	2007 \$	2006 \$
Basic earnings per share (cents per share)	12.47	13.21
Diluted earnings per share (cents per share)	12.43	13.17
Earnings used in calculation of basic EPS	4,045,741	3,673,578
Potential earnings on options	416	2,131
Earnings used in calculation of dilutive EPS	4,046,157	3,675,709
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	32,453,020	27,817,609
Weighted average number of options outstanding	108,357	100,000
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive DPS	32,561,377	27,917,609

All options used in the calculation of dilutive EPS were exercised during the year.

10. Cash

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash at bank	3,107	6,076	-	-
Deposits at call	-	17	-	-
	3,107	6,093	-	-

11. Receivables**Current**

Trade debtors	12,063	8,430	-	-
Other debtors	330	204	-	-
	12,393	8,634	-	-

All amounts receivable are short term. The carrying amount of trade receivables is considered a reasonable approximation of fair value. All of the group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and a provision of \$104,000 (2006: \$0) has been recorded accordingly. The impaired trade receivables are mostly due to customers experiencing financial difficulties. The age of financial assets past due but not impaired are as follows:

Trade debtors-aged listing

Not more than 3 months	10,754	7,676	-	-
More than 3 months but not more than 6 months	768	688	-	-
More than 6 months but not more than 1 year	432	66	-	-
More than 1 year	109	-	-	-
	12,063	8,430	-	-

12. Other assets**Current**

Prepayments	261	110	-	-
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13. Financial assets

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Shares in listed corporations – at cost	9	1	-	-
Investment in subsidiaries – at cost	-	-	22,997	19,933
	9	1	22,997	19,933

14. Property, plant and equipment

Leasehold improvements – at cost	1,796	790	-	-
Accumulated depreciation	(664)	(522)	-	-
	1,132	268	-	-
Plant and equipment – at cost	1,816	1,225	-	-
Accumulated depreciation	(951)	(651)	-	-
	865	574	-	-
Total property, plant and equipment	1,997	842	-	-

Movements in carrying amounts

	Leasehold improvements \$'000	Office Equipment \$'000	Furniture and Fittings \$'000	Computer Hardware \$'000	Total \$'000
Consolidated Group					
Balance at the beginning of the year	268	56	174	344	842
Foreign exchange movement	(5)	(1)	1	(1)	(6)
Depreciation expense	(173)	(36)	(51)	(224)	(484)
Additions	1,042	126	155	322	1,645
Carrying amount at the end of the year	1,132	145	279	441	1,997

15. Intangible assets

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Goodwill – at cost	12,229	10,973	–	–
Computer software – at cost	596	355	–	–
Web development – at cost	547	497	–	–
Accumulated amortisation	(802)	(623)	–	–
	12,570	11,202	–	–

Movements in carrying amounts

	Goodwill	Software	Web development	Total
Consolidated Group				
Balance at the beginning of the year	10,973	166	63	11,202
Additions	244	240	51	535
Other acquisition costs	1,021	–	–	1,021
Goodwill revalued	(9)	–	–	(9)
Foreign exchange movement	–	(2)	(4)	(6)
Amortisation	–	(139)	(34)	(173)
Carrying amount at the end of the year	12,229	265	76	12,570

Intangible assets other than goodwill have finite useful lives. The current amortisation charges in respect of intangible assets are included under depreciation and amortisation expense per the Income Statement. Goodwill has an infinite life.

Impairment Disclosures

Goodwill is allocated to cash-generating units as follows:

	2007 \$'000	2006 \$'000
Recruitment		
– McGinty Recruitment	3,779	3,909
– Watermark Search	6,208	5,843
– Computemp Technology	1,221	1,221
– Other acquisition costs	1,021	–
	12,229	10,973

The recoverable amount of each cash-generating unit is determined on a value-in-use basis. Additional goodwill is a result of the adjustment to deferred purchase liability in relation to McGinty and Watermark acquisitions.

Value-in-use is calculated based on the present value of cashflow projections over a five-year period. The cashflows are discounted based on the group's weighted average cost of capital.

The following assumptions were used in the value-in-use calculations:

- Growth rate 1-7% (sensitivity analysis based on this range)
- Discount rate 12.5%

Management has based the value-in-use calculations on budget. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account the historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with the operations of the group.

Consideration for McGinty Recruitment and Watermark Search International was part payable over an earn-out period of two years based on performance. This consideration was fully paid as at 31 December 2007 and all payment increases are reflected in the goodwill recognised in relation to these acquisitions.

Cash consideration for acquisitions paid during the current financial year:

	2007 \$'000	2006 \$'000
McGinty Recruitment	1,704	1,276
Watermark Search	2,331	1,930
	4,035	3,206

16. Tax

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
a. Liabilities				
Current				
Income Tax	874	918	-	-
Non-current				
Deferred tax liability comprises:				
- Share-based payments	641	364	-	-
b. Assets				
Non-current				
Deferred tax assets comprise:				
- Provisions	927	948	-	-

16. Tax (continued)

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Reconciliations of deferred tax				
i. Gross Movements				
Opening balance	584	810	-	-
Charged/(released) to income statement	(298)	(226)	-	-
Closing balance	286	584	-	-
ii. Deferred Tax Liability				
The movement in deferred tax liability for each temporary difference during the year is as follows:				
Share-based payments				
- Opening balance	364	-	-	-
- Charged/(released) to income statement	277	364	-	-
Closing balance	641	364	-	-
iii. Deferred Tax Asset				
The movement in deferred tax asset for each temporary difference during the year is as follows:				
Provisions				
- Opening balance	948	671	-	-
- Charged/(released) to income statement	(21)	277	-	-
Closing balance	927	948	-	-
Tax losses				
- Opening balance	-	139	-	-
- Utilised against current tax liability	-	(139)	-	-
Closing balance	-	-	-	-

17. Trade and other payables

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Current				
Trade payables	8,734	6,248	-	-
McGinty purchase liability	-	1,827	-	-
Watermark purchase liability	-	1,971	-	-
	8,734	10,046	-	-

18. Financial liability

Net fair value of derivative financial liability	744	-	-	-
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In very limited circumstances, Ambition Group Limited uses forward exchange contracts to mitigate exchange rate exposure. At the year end the group had entered into a forward contract in relation to the acquisition payment for the post year end purchase of Witan Jardine. The fair value for this contract has been estimated using relevant exchange rates. A cumulative loss of \$744,000 (2006:\$0) has been recorded within equity in relation to this investment, as this hedging instrument has been designated as a cash flow hedge.

19. Provisions

Current				
Employee benefits	652	300	-	-
Non-current				
Employee benefits	199	191	-	-
Aggregate employee benefits liability	851	491	-	-
Employee entitlements				
Balance at the beginning of the year	491	361	-	-
Additional provisions	1,633	1,006	-	-
Amounts used	(1,273)	(876)	-	-
Balance at 31 December 2007	851	491	-	-

20. Controlled entities

	Country of Incorporation	Parent Entity Interest %	
		2007	2006
Parent Entity			
Ambition Group Limited	Australia	–	–
Controlled Entity			
Ambition Recruit Pty Limited	Australia	100	100
Ambition Interactive Pty Limited	Australia	100	100
Ambition Property Services Pty Limited	Australia	100	100
Ambition Corporate Services Pty Limited	Australia	100	100
People with Ability Pty Limited	Australia	100	100
Accountability Business Services Pty Limited	Australia	100	100
Contracting Employment Services Pty Limited	Australia	100	100
McGinty Recruitment Pty Limited	Australia	100	100
Watermark Search International Pty Limited	Australia	100	100
The Ambition Group Limited	New Zealand	100	100
The Ambition Group Limited	UK	100	100
Ambition Direct Limited	UK	100	100
Ambition Recruitment International Limited	Ireland	100	100
The Ambition Group Limited	Hong Kong	100	100
Ambition Employee Share Managers Pty Limited	Australia	50	50
Ambition Group Singapore PTE Limited	Singapore	100	100

21. Contributed equity

33,072,347 (2006: 31,160,006) fully paid ordinary shares of \$1.00 each.

	Consolidated Group		Parent Entity	
	2007 No. '000	2006 No. '000	2007 No. '000	2006 No. '000
a. Ordinary Shares				
Balance at the beginning of the year	31,160	25,440	31,160	25,440
Convertible notes converted	-	3,373	-	3,373
Employee share plan issues	891	1,961	891	1,961
Shares issued under DRP	279	346	279	346
Share placements	492	40	492	40
Options exercised	250	-	250	-
Balance at the end of the year	33,072	31,160	33,072	31,160
Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.				
At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.				
Approval for the issue of securities under the Deferred Employee Share Plan (DESP) was obtained under ASX Listing Rule 10.1.4.				
b. Options				
Balance at the beginning of the year	100	7,150	100	7,150
Options issued during the year	150	-	150	-
Options expired during the year	-	(7,050)	-	(7,050)
Employee options exercised	(250)	-	(250)	-
Balance at reporting date	-	100	-	100
Exercisable at \$0.50 expiring 04.04.07	-	100	-	100
	-	100	-	100

21. Contributed equity (continued)

	Consolidated Group		Parent Entity	
	2007 No. '000	2006 No. '000	2007 No. '000	2006 No. '000
c. Treasury Shares				
Balance at the beginning of the year	1,624	611	1,624	611
Issued during the year	861	1,975	861	1,975
Vested during the year	(714)	(962)	(714)	(962)
Balance at reporting date	1,771	1,624	1,771	1,624

d. Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

During 2007, the company paid dividends of \$1,756,000 (2006: \$308,000). In addition a final dividend of 4c per share will be paid on 20 March 2008.

The company issued new shares in January 2008 to fund the acquisition of Witan Jardine but otherwise management have no immediate plans to change the capital structure or add debt.

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Total borrowings	-	-	-	-
Total equity	19,420	16,011	22,997	19,933
Total capital	19,420	16,011	22,997	19,933
Gearing ratio	0%	0%	0%	0%

The group is not subject to any externally imposed capital requirements.

22. Retained earnings/Accumulated losses and reserves

a. Movements in retained earnings/accumulated losses were as follows:

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Balance at 1 January	(2,696)	(6,062)	908	(942)
Net profit	4,046	3,674	2,745	2,158
Dividends	(1,756)	(308)	(1,756)	(308)
Balance at 31 December	(406)	(2,696)	1,897	908

b. Reserves

Foreign currency reserve

Balance at 1 January	(318)	(15)	-	-
Revaluation of foreign subsidiary assets and liabilities	(212)	(303)	-	-
Balance at 31 December	(530)	(318)	-	-

Hedge reserve

Balance at 1 January	-	-	-	-
Increase in hedge reserve due to forward contract	(744)	-	-	-
Balance at 31 December	(744)	-	-	-
Total reserves	(1,274)	(318)	-	-

c. Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Hedge Reserve

The company has a hedge reserve in place at the year end and this reserve records revaluations of items designated as hedges.

23. Cash flow information

a. Reconciliation of Cash Flow from Operations with Profit from ordinary activities after income tax

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Profit from ordinary activities after income tax	4,046	3,674	2,745	2,158
Non-cash flows in profit from ordinary activities				
- Amortisation of intangible assets	173	96	-	-
- Depreciation	483	353	-	-
- Income tax expense	1,562	1,394	(3)	(57)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
- Decrease (Increase) in trade and term debtors	(4,905)	(2,604)	-	-
- Decrease (Increase) in intercompany amounts	-	-	(2,742)	(2,101)
- Decrease (Increase) in prepayments	(143)	(74)	-	-
- Decrease (Increase) in other debtors	(231)	85	-	-
- Increase (Decrease) in trade creditors & accruals	2,449	1,067	-	-
- Increase (Decrease) in provisions	359	131	-	-
Cash flows used in operations	3,793	4,122	-	-

b. Non-cash financing and investing activities

771,366 (2006: 345,986) shares were issued in relation to the company's Dividend Reinvestment Plan

c. Credit standby arrangements

The consolidated group has a loan facility of \$2.5 million (2006: \$1.2 million) for a period of five years. Interest rates are variable and subject to market rates at the time funds are drawn. The facility was undrawn at the date of this report. The facility is secured by a floating charge over the assets of a number of the group's controlled entities.

24. Financial Risks

a. Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, short-term investments and accounts receivable and payable.

Derivatives are used infrequently by the company for hedging purposes. Instruments used are forward foreign exchange contracts. The group does not speculate in the trading of derivative instruments.

Financial risks

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

i. Interest Rate Risk

The consolidated group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted interest rates on classes of financial assets and financial liabilities is as follows:

	Consolidated Group		Effective Interest Rate	
	2007 \$'000	2006 \$'000	2007 %	2006 %
Financial Assets				
Cash (floating interest)	3,107	6,093	4.90	6.40

Other financial assets and liabilities are non-interest bearing.

The group currently has no bank borrowings and as such the group is not exposed to changes in market interest rates therefore no sensitivity analysis has been disclosed.

ii. Foreign currency sensitivity

Although the majority of the group's transactions are carried out in Australian Dollars, the group is exposed to fluctuations in foreign currencies to the extent that some of its subsidiaries operate outside of Australia and trade is carried on in the local currency.

To mitigate against the exposure to foreign currency risk, the group's foreign subsidiaries transactions are carried out in local currency and cash inflows and outflows are largely offset to minimise impact of foreign currency translation. The group does not undertake any hedging activities with regard to day-to-day foreign exchange exposures.

Foreign currency financial assets and liabilities translated into Australian Dollars at the closing rate as follows:

	2007 \$'000 A\$	2007 \$'000 Other	2006 \$'000 A\$	2006 \$'000 Other
Financial assets	-	-	-	-
Financial liabilities	744	-	-	-
Short-term exposure	744	-	-	-
Financial assets	9	-	1	-
Financial liabilities	-	-	-	-
Long term exposure	9	-	1	-

iii. Liquidity risk

The group manages liquidity risk by monitoring forecast cashflows and ensuring that adequate overdraft and borrowing facilities are maintained. Cash flow forecasts are prepared and actual cash balances and projections are monitored on a weekly basis by management. The group maintains cash and cash equivalents to meet its liquidity requirements. Funding for long-term liquidity needs is secured by having an adequate amount of credit facilities in place.

At 31 December 2007, the group's liabilities have contractual maturities which are summarised below:

	Current				Non-current			
	within 6 months		6 to 12 months		within 6 months		6 to 12 months	
	2007 \$000	2006 \$000	2007 \$000	2006 \$000	2007 \$000	2006 \$000	2007 \$000	2006 \$000
Trade payables	8,734	10,046	-	-	-	-	-	-
Other short term financial liabilities	874	918	-	-	-	-	-	-
Derivatives	744	-	-	-	-	-	-	-
Total	10,352	10,964	-	-	-	-	-	-

The above maturities reflect gross cash flows and may differ to carrying values of liabilities at balance sheet date.

24. Financial Risks (continued)

iv. Credit Risk

The maximum exposure to credit risk to recognised financial assets (excluding the value of any collateral or other security) at balance date is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the balance sheet and notes to the financial statements.

The group manages its credit risk by carrying out credit reviews on potential customers and monitoring the risk associated with long-standing customers on an annual basis through the use of credit risk reports from external parties. The group continuously manages defaults of customers and reviews latest available market information to identify potential risks of default. It is the group's policy to deal only with creditworthy counterparties.

At 31 December 2007, management considers that all the financial assets are not impaired and are of good quality, including those past due. In respect of trade and other receivables, the group is not exposed to any significant credit risk exposure to any single counterparty or group of counterparties. The credit risk for cash and short term financial assets is considered negligible since counterparties are reputable banks with high quality credit ratings.

	Consolidated Group	
	2007	2006
	\$'000	\$'000
<hr/>		
Classes of financial assets—carrying amounts		
Cash and cash equivalents	3,107	6,093
Available for sale financial assets	9	1
Trade and other receivables	12,654	8,744
	<hr/>	<hr/>
	15,770	14,838

Credit risk for derivative financial instruments arises from the potential failure by counter-parties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts is disclosed in note 24(b).

The group does not have any material credit risk exposure to any single receivable or group of receivables at balance date.

(vi) Price risk sensitivity

The group is exposed to price risk in respect of its holdings of financial assets. However, only a small number of such assets are held and any price movement would be immaterial to the group. Therefore no price sensitivity analysis has been disclosed.

b. Derivative Financial Instruments

Derivative financial instruments are used by the consolidated group to hedge exposure to exchange rate risk associated with significant foreign currency purchases. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with. All forward exchange contracts have been designated as cash flow hedges. The fair value of these contracts has been estimated using relevant market exchange rates.

	Consolidated Group	
	2007 \$'000	2006 \$'000
Derivative financial liabilities		
Pound sterling forward contracts-cash flow hedge	744	-

Forward Exchange Contracts

The consolidated group enters into forward foreign exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. These contracts are entered on an ad-hoc basis as decided by the Directors of the company. The objective in entering the forward exchange contracts is to protect the consolidated group against unfavourable exchange rate movements.

The group has in place one forward foreign exchange contract at 31 December 2007 which has been designated as a cash flow hedge. A cumulative loss of \$744,000 (2006:\$0) has been recorded within equity in relation to this instrument. The accounting policy in regard to forward exchange contracts is detailed in Note 1(g).

At balance date, the details of the outstanding forward exchange contract are:

	Buy Pounds Sterling		Average exchange rate	
	2007 £'000	2006 £'000	2007 £	2006 £
Sell Australian Dollars				
Settlement				
Less than 6 months	9,116	-	0.42	0.41

This contract was entered into on 18 December 2007 and expires on 18 January 2008 at a fixed rate of A\$1:£0.424. The amount transferred to the hedge reserve on 31 December 2007 in relation to this contract was \$744,000. The purpose of this contract was to reduce the foreign exchange risks associated with the acquisition of Witan Jardine (in Pounds Sterling) and the funding of that acquisition (in Australian Dollars).

(c) Net Fair Values

The net fair values of financial assets and liabilities disclosed in the balance sheet have been determined as the carrying amounts in accordance with Note 1 to the Financial Statements. No financial assets and financial liabilities are readily traded on organised markets in standardised form. There are no financial assets which have a carrying amount which exceeds net fair values.

25. Capital and leasing commitments

Operating Lease Commitments

Non-cancellable operating lease contracted for but not capitalised in the accounts.

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Payable:				
- not longer than 1 year	2,396	1,475	-	-
- longer than 1 year but not longer than 2 years	2,398	794	-	-
- longer than 2 years but not longer than 5 years	3,072	1,323	-	-
	7,866	3,592	-	-

Property leases are non-cancellable and have lease terms of between 3 and 5 years, with options to renew at the lessee's discretion in some instances. Contingent rentals are based on either fixed amounts or fixed percentage increases.

26. Contingent liabilities

	Consolidated Group		Parent Entity	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Bank guarantees in relation to property leases	869	478	-	-

There is a floating charge over the assets of several group companies in relation to a \$2.5 million bank facility.

27. Segment Reporting

	Australia		Asia		Unallocated		Consolidated Group	
	Dec 2007	Dec 2006	Dec 2007	Dec 2006	Dec 2007	Dec 2006	Dec 2007	Dec 2006
Primary reporting								
– Geographical segments								
a. Revenue								
External sales	68,610	50,448	10,406	8,486	–	–	79,016	58,934
Interest revenue	111	109	11	11	–	–	122	120
Total segment revenue	68,721	50,557	10,417	8,497	–	–	79,138	59,054
b. Result								
Profit (loss) before income tax	4,628	4,363	2,782	1,830	(1,802)	(1,125)	5,608	5,068
Income tax expense	(1,614)	(1,422)	(489)	(310)	541	338	(1,562)	(1,394)
Profit (loss) after income tax	3,014	2,941	2,293	1,520	(1,261)	(787)	4,046	3,674
c. Assets								
Segment assets	24,738	22,653	6,526	5,177	–	–	31,264	27,830
d. Liabilities								
Segment liabilities	9,296	8,638	2,548	3,181	–	–	11,844	11,819
e. Other								
Depreciation and amortisation of segment assets	503	310	154	140	–	–	657	450
Other non-cash segment expenses	1,250	875	148	–	299	211	1,697	1,086
Acquisition of non current assets	1,588	541	348	32	235	2,146	2,171	2,719

Intersegment transfers

Segment revenues include transfers between segments on commercial terms and are eliminated on consolidation.

Secondary reporting

The group operates in the one business of recruitment.

28. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Balances owing are unsecured.

	2007 \$'000	2006 \$'000
Interest paid to Directors and their related entities in relation to Unsecured Convertible Notes	–	47
Amounts owing to Directors – Directors' fees	37	38
Dividend payment to parent	3,000	2,500

29. Subsequent events

Since the end of the current period the Group has purchased Witan Jardine, a London based recruitment company. The acquisition occurred on 21 January 2008 for an initial consideration of £11.5 million (A\$27 million). A further payment will be made in February 2009 based on the results for the year ending 31 December 2008. The additional payment is expected to be in the region of £4.5 million (A\$10.6 million) assuming Witan Jardine's current rate of profitability is maintained.

The acquired business held cash of more than £2.5 million (A\$6 million) at acquisition. To fund the acquisition and related costs, the Group issued 16.7 million shares and raised approximately A\$23.4 million in new capital. This was completed in January 2008.

At this stage, it is not practical to disclose the fair value of assets, liabilities, intangibles and goodwill as the completion process and management's review of intangibles is ongoing.

30. Variance from Preliminary Final Report and Appendix 4E

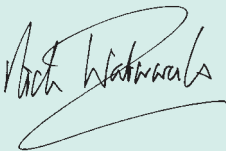
On 26 February 2008, the Group issued a Preliminary Final Report and Appendix 4E. Since that date, the Directors have been advised that the company should record a financial liability in respect of a forward foreign exchange hedge contract. As a result, a liability of \$744,000 has now been recognised and a corresponding Hedge Reserve Account has been established within reserves. The liability amount and the hedge reserve account are contained in notes 18 and 22(b) respectively. The Directors do not consider this change to the Preliminary Final Report and Appendix 4E to be material.

Directors' declaration

The directors of the company declare that:

1. The financial statements and notes, as set out in pages 22 to 71, are in accordance with the Corporations Act and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2007 and of the performance for the year ended on that date of the company and consolidated group
2. the Group Managing Director and Chief Financial Officer have each declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. 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.



Nick Waterworth
Executive Chairman

19 March 2008



Paul Lyons
Group Managing Director



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

We have audited the accompanying financial report of Ambition Group Limited, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 judgement, including the assessment of the risks of material misstatement of the financial



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMBITION GROUP LIMITED (cont)

report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- a the financial report of Ambition Group Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2007 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

Sydney, 19 March 2008

G S LAYLAND
Partner

Additional Information

1. Shareholdings

a. Distribution of security holders numbers (as at 14 March 2008):

Category (size of Holding)	1–1,000	1,001–5,000	5,001–10,000	10,001–100,000	100,001 and over
Ordinary shares	66	210	80	179	56

b. The number of shareholders holding less than a marketable parcel is 41 (2006: 36).

c. The names of the substantial shareholders listed on the company's register as at 14 March 2008 are:

	Number
Nicholas Waterworth and associates	6,525,721
Paul Lyons and associates	5,208,249
Victor John Plummer	4,535,318

d. Voting Rights

At a general meeting, every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid share held.

e. Twenty largest ordinary shareholders (as at 14 March 2008)

	Number	%
Carefully Considered Investments Pty Limited	4,924,998	9.77
Victor John Plummer	4,535,318	8.99
National Nominees Limited	3,340,071	6.62
Ambition Employee Share Managers Pty Limited (DESP)	3,321,577	6.59
ANZ Nominees Limited	3,093,215	6.13
Cogent Nominees Pty Limited	2,067,000	4.10
James N Kirby Holdings Pty Limited	1,903,559	3.77
RBC Dexia Investor Services Australia Nominees Pty Limited	1,658,571	3.29
Austock Nominees Pty Limited	1,386,762	2.75
Dixson Trust Pty Limited	1,355,689	2.69
Guy Nicholas Day	1,030,027	2.04
ANZ Nominees Limited	988,571	1.96
Little Acorns Investments Pty Limited	945,281	1.87
Citicorp Nominees Pty Limited	913,174	1.81
Ambition Employee Share Managers Pty Limited (OESP)	841,667	1.67
About Investments Pty Limited	732,321	1.45
Invia Custodian Pty Limited	614,679	1.22
Riverland Capital Limited	570,000	1.13
UBS Nominees Pty Limited	526,892	1.04
Waterby Investments Pty Limited	507,561	1.01
	35,256,933	69.90

2. Usage of Cash

Ambition Group Limited was admitted to the ASX under Listing Rule 1.3.2(b). The Directors confirm that the consolidated group used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives during the period from admission to 31 December 2007.

3. Company Secretary

Victor Cuthell was appointed Company Secretary on 30 January 2007.

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Stock Exchange Listing

Ambition Group Limited is listed
on the Australian Stock Exchange
ASX code: AMB

Ambition Group Limited and its Controlled Entities

ABN 31 089 183 362

