

Adapting to the conditions

Ambition Group Limited
2008 Annual Report



Since 2004, we have grown revenue 438% from \$24m to \$129m, transforming the company from a strong boutique into an emerging international player operating in three continents. Whilst the global economic downturn made 2008 a disappointing year in terms of returns to shareholders, the scale and geographic diversity of your company puts it in an excellent position to take advantage of increased business confidence and hiring activity as and when this occurs.

Adapting to the conditions

Chairman and Managing Director's Business Overview

We have both been in the executive recruitment sector since the early 1980s and never have we seen such dynamic conditions and dramatic changes as we saw during 2008.

Following the January 2008 acquisition of Witan Jardine in London, revenue across the Group rose to \$129m in 2008 from \$79m in 2007. However, there was a dramatic collapse in hiring activity from employers in all the regions in which Ambition operates during the final quarter of the year, significantly impacting our results.

The Directors moved quickly in late 2008 to adapt our business to the changed conditions, eliminating c\$17m from our cost base for 2009 compared to 2008. The financial impact of these initiatives have been in effect from 1 January 2009.

Following a strategic review during December, the Board undertook impairment testing of all its acquired businesses. The discounted cash flows for these businesses in the UK and Australia in the foreseeable economic environment did not support the current carrying values of those investments and an impairment charge of \$22.1m relating to these businesses was made during the period. An additional \$3.2m was expensed relating to other associated costs.

The Directors have not declared a final dividend.

The third quarter of last year produced solid profits, especially here in Australia. However the global financial crisis and the rapid downturn in the resources sector had a remarkably sudden effect on business confidence resulting in wholesale cancellations or postponements of recruitment assignments. We acted swiftly, however revenue declined immediately whereas our restructuring programme did not have its full effect until January this year.

At year-end, we had 243 people across our network in Australia, Asia and the UK. The Directors have spent extensive time in ensuring that our front-office teams are focused on sectors most likely to generate revenue and that our back-office functions are lean but effective.

We expect 2009 to be very challenging. However, we are solid in the belief that business confidence will rise again and with that conditions will eventually revert to those conducive for an increased level of activity in the recruitment market and the generation of returns to shareholders.

We are fortunate to have a specialised business model, deep management experience and staff dedicated to generating revenue, albeit in a very difficult operating environment. The reputation and brand strength of all our businesses remains exceptionally strong and this will be a significant benefit as and when the international business climate improves.

Nick Waterworth
Co-Founder
and Chairman

Paul Lyons
Co-Founder
and Group Managing Director

Corporate Governance Statement

Compliance with ASX Good Practice Recommendations

Except as disclosed below, the good practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ending 31 December 2008.

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 Chair should be an independent Director
- 2.4 The board should have a Nomination Committee
- 4.2 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
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 Chair 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 senior managers
- approving operating and capital budgets
- reviewing and approving risk management and internal control systems
- reviewing and approving codes of conduct
- ensuring legal compliance
- monitoring senior management performance
- reviewing and approving senior management remuneration
- reviewing external auditor reports
- monitoring the financial performance of the group.

The Board has established the following committees:

- Audit Committee
- 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 dispatch 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 Chair, Paul Young, is not the Chair 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 senior management
- the company's recruitment, retention and termination policies and procedures for senior management
- incentive schemes for employees
- 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 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 senior management remuneration policies and structures is contained in the Remuneration Report on page 8.

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 Chair, Paul Young, is not the Chair of the Board. The roles and 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 the 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
- 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. Senior management 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 the Directors 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 the Directors 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
- the company's Annual General Meeting
- any other time the Board considers the market to be fully informed about the group's operations.

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.

Recognise and Manage Risk

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.

Management have assessed the material business risks as being data protection and brand reputation and have policies in place for the oversight and management of these risks. The Board has received assurances from the Group Managing Director and management regarding the effectiveness of the mitigation and control of both material business risks and financial reporting risks.

Directors' Report

The Directors of Ambition Group Limited present their report on the company and its controlled entities ("the consolidated group") for the year ended 31 December 2008.

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
Andrew Adamovich

All Directors held office from the beginning of the financial year to the date of this report.

Company Secretary

On 17 October 2008 Victor Cuthell resigned his position of Company Secretary. Victor is a qualified Chartered Accountant who has been with Ambition since January 2007. Prior to joining Ambition Victor was the Regional Finance Director for Burger King.

On 17 October 2008 Paul Manchester was appointed to the position of Company Secretary. Paul has over ten years experience in senior accounting roles across a broad range of industries. He is a Chartered Accountant and has a Bachelor of Commerce and Administration degree from Victoria University, Wellington, New Zealand.

Principal Activity

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

Group Operating Results

The consolidated loss of the group before income tax amounted to \$24,596,000 (2007: profit \$5,608,000). The consolidated loss of the group after income tax amounted to \$24,528,000 (2007: profit \$4,046,000).

Review of Operations

The group has reacted quickly and decisively to the economic conditions. There has been a general review of the business resulting in a reduction in headcount.

Since the acquisition of our UK subsidiary, Witan Jardine, the worsening global economic climate has had an impact on the performance of all our divisions. As a result of this we have assessed that the future discounted cashflows no longer support the carrying value of the intangible assets and these have therefore been impaired. Additionally, we have made provisions for onerous contracts on office leases. The Directors are comfortable that the revised carrying values of tangible and intangible assets are supported by future cashflows.

Dividends Paid or Recommended

An interim fully franked dividend of 1.5 cents per share was declared in respect of the six months to 30 June 2008. The dividend was paid in October 2008.

The Directors have declared that there will be no final dividend.

During the year 650,000 options were granted as part of the Employee Share Option scheme.

Financial Position

The net assets of the consolidated group have decreased to \$15,435,000 at 31 December 2008 from \$19,420,000 at 31 December 2007. The decrease is largely due to the impairment of intangible assets in the year.

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
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110 Code of Ethics by Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 31 December 2008:

Taxation services	\$69,073
Other general advice*	\$97,038

* Includes advice regarding the purchase of Witan Jardine (due diligence, completion audit and tax advice), overseas secretarial and accounts preparation services for insignificant subsidiaries and advice regarding various general accounting and disclosure matters.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2008 has been received in accordance with s307c of the Corporations Act 2001 and can be found on page 13, which forms part of this report.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the parent entity or controlled entities during the financial year other than the impairment noted above.

Events subsequent to balance date

At the balance date the group had a forward contract in relation to the acquisition of Witan Jardine. On the 6th February 2009 this was exited at a cost of \$19,000 which was subsequently provided for in the 2008 financial statements.

Future Developments, Prospects and Business Strategies

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

- a. Positive contribution from each of the group's businesses
- b. Pursuit of the consolidated entity's policy of increasing market share, with a view to continued and increasing profitability
- c. 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>	7,554,423 ordinary shares.
<i>Special responsibilities</i>	Operational responsibility for the AccountAbility and Watermark businesses. Strategic development, acquisitions and shareholder communications.

Information on Directors (continued)

Paul Lyons	Director (Executive)
<i>Qualifications</i>	Honours Graduate in Accounting and Financial Administration (University of Wales), associate of the following institutes: Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants in Australia, CPA Australia, 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>	5,958,249 ordinary shares.
<i>Special responsibilities</i>	Operational responsibility for the Ambition, Asia and UK businesses.
Paul Young	Director (Non-Executive)
<i>Qualifications</i>	Honours Graduate in Economics (Cambridge University), Advanced Diploma in Corporate Finance, associate of the Institute of Chartered Accountants in England and Wales, Fellow of Australian Institute of Company Directors.
<i>Experience</i>	Co-Founder and Executive Director of Baron Partners Limited, Chairman of Peter Lehman Wines Limited and Tidewater Investments Limited, Director of Thomas and Coffey Limited.
<i>Interest in shares</i>	2,449,795 ordinary shares.
<i>Special responsibilities</i>	Chairman of the Audit Committee and Remuneration Committee.
Andrew Adamovich	Director (Non-Executive)
<i>Qualifications</i>	University of California, Berkeley, U.S.A Bachelor of Arts
<i>Experience</i>	Founder and Director of Riverland Capital Limited. Director of Amara Enterprises Limited, Yuan Chuan (Cayman) Limited, China Education Corporation, G2 Therapies Limited, previously Associate with the Zurich Centre Group and Director at Equity Partners Asia Limited and ASX-listed Hostworks Group Limited.
<i>Interest in shares</i>	650,000 ordinary shares.
<i>Special responsibilities</i>	Member of the Audit Committee and Remuneration Committee.

Remuneration Report

The information which follows to the end of section (f) 'Details of Remuneration' is subject to audit by the external auditors.

a. Remuneration Policy

The remuneration policy of Ambition Group Limited has been designed to align Director and senior management 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 senior managers and Directors to run and manage the consolidated group, as well as create goal congruence between Directors, senior management and shareholders.

The Board's policy for determining the nature and amount of remuneration for Directors and senior management 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. Directors are eligible to participate in the company's Loan Share Plan (LSP).
- Senior management 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. Senior management are also eligible to participate in the company's Long Term Incentive (LTI) Plan.

The performance of senior management is measured against criteria agreed annually with each senior manager and is based predominantly on the financial performance of the operating division for which the senior manager 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.

Senior management are entitled to participate in the company's LTI Plan, the purpose of which is to align shareholder's and senior managers' objectives. The plan provides for the allocation of Ambition shares to senior management 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 assessed by the Remuneration Committee. 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 senior management 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 between \$30,000 and \$60,000 per Director. The aggregate remuneration that may be paid to non-executive Directors is \$200,000. This remuneration may be divided amongst the non-executive Directors as determined by the Board. Notice of any proposed increase in non-executive Director's aggregate remuneration and the total amount of remuneration payable to non-executive Directors as a result of the proposed increase must be given to members in the notice convening the general meeting at which the increase is to be proposed.

All remuneration paid to Directors and senior management is valued at the cost to the company and expensed. Shares given to Directors and senior management are valued as the difference between the market price of those shares and the amount paid by the Director or senior manager.

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.

	2008 \$'000	2007 \$'000	2006 \$'000	2005 \$'000	2004 \$'000	Change	
						2007/08 %	2006/07 %
(Loss)/profit before tax	(24,596)	5,608	5,068	2,589	560	(538.6%)	10.7%
Net (loss)/profit after tax	(24,528)	4,046	3,674	1,803	560	(706.2%)	10.1%
	\$	\$	\$	\$	\$	%	%
Basic EPS (cents)	(48.35)	12.47	13.21	8.50	3.55	(487.7%)	(5.6%)
Diluted EPS (cents)	(48.35)	12.43	13.17	7.07	3.55	(489.0%)	(5.6%)
Dividend (cents)	1.5	6	4.50	-	-	(75%)	33%
Share Price (31 Dec)	0.11	1.40	1.15	0.55	0.72	(92.1%)	21.7%
Total Remuneration	1,510,870	1,157,683	1,306,677	991,728	791,928	30.5%	(11.4%)

e. Employment contracts of Directors and senior management

The employment conditions of the executive Directors and senior management are formalised in contracts of employment. All senior management 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 one 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 Key Management Personnel of the consolidated group receiving the highest remuneration during the year was as follows:

2008	Primary			Post	Equity	Total
	Salary and Fees	Non-cash Benefits	Incentives	Employment Super	Shares	
Directors						
Nick Waterworth	313,666	17,344	100,000	13,386	47,109	491,505
Paul Lyons	404,657	-	150,000	13,420	47,109	615,186
Paul Young	-	-	-	-	60,000	60,000
Andrew Adamovich	30,000	-	-	-	-	30,000
	748,323	17,344	250,000	26,806	154,218	1,196,691
Other Key Management Personnel						
Victor Cuthell	250,661	-	53,000	10,518	-	314,179
2007	Primary			Post	Equity	Total
	Salary and Fees	Non-cash Benefits	Incentives	Employment Super	Shares	
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
Other Key Management Personnel						
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

Victor Cuthell resigned his position as Chief Financial Officer and Company Secretary on 17 October 2008 and ceased employment on that date.

Since Victor's resignation the Group Managing Director has acted as the Chief Financial Officer.

Aside from the Directors, there was only one Key Management Person of the consolidated group.

There will be no bonus paid in 2009 relating to the 2008 financial year due to profit targets not being achieved.

The bonus paid in 2008 related to the successful acquisition of Witan Jardine.

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 Key Management Personnel

	Opening Balance	Received as Remuneration	Net Change Other	Closing Balance
Directors				
Nick Waterworth	6,505,281	750,000	299,142	7,554,423
Paul Lyons	5,208,249	750,000	-	5,958,249
Paul Young	1,470,493	141,649	837,653	2,449,795
Andrew Adamovich	570,000	-	80,000	650,000
Key Management Personnel				
Victor Cuthell	320,000	-	(320,000)	-

Net change other relates to share movements due to on-market purchases, capital raisings, and DRP.

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

Shares issued to Directors and Key Management Personnel under the Loan Share Plan and Long Term Incentive Plan are subject to vesting provisions in accordance with the terms of the plan.

g. Meetings of Directors

During the financial year, 13 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	8	8	-	-	-	-
Paul Lyons	8	8	-	-	-	-
Paul Young	8	7	2	2	3	3
Andrew Adamovich	8	8	2	2	3	3

Indemnifying officers or auditor

During the year, the consolidated group paid an insurance premium of \$8,966 (2007: \$16,083) in respect of a contract insuring each of the Directors of the consolidated group and each full time senior manager, 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.


Rounding of amounts

The company is an entity to which ASIC Class Order 98/100 applies and, accordingly, amounts in the financial statements and Directors' report has been rounded to the nearest thousand dollars.

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
Co-Founder & Chairman

20 March 2009



Paul Lyons
Co-Founder & Group Managing Director

Auditor's Independence Declaration



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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 2008, 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, 20 March 2009

Income Statements

for the year ended 31 December 2008

	Note	Consolidated Group		Parent Entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue	2	129,206	79,138	2,149	3,000
Employee benefits expense		(41,387)	(25,177)	-	-
On-hired labour costs		(66,752)	(36,504)	-	-
Payroll tax		(1,456)	(1,050)	-	-
Depreciation and amortisation expense	3	(1,577)	(657)	-	-
Impairment of goodwill	3	(22,078)	-	-	-
Impairment of other intangibles	3	(1,586)	-	-	-
Impairment of investment in subsidiaries	3	-	-	(24,133)	-
Onerous contracts	3	(1,592)	-	(1,347)	-
Finance costs	3	(744)	(258)	(436)	(258)
Advertising and marketing		(2,783)	(2,039)	-	-
Computer expenses		(604)	(445)	-	-
Rental expense on operating leases	3	(3,463)	(1,829)	-	-
Other expenses		(9,780)	(5,571)	(509)	-
(Loss)/profit before income tax		(24,596)	5,608	(24,276)	2,742
Income tax income/(expense)	5	68	(1,562)	44	3
(Loss)/profit after income tax expense		(24,528)	4,046	(24,232)	2,745
Basic (loss)/earnings per share (cents per share)	8	(48.35)	12.47		
Diluted (loss)/earnings per share (cents per share)	8	(48.35)	12.43		

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

Balance Sheets

as at 31 December 2008

	Note	Consolidated Group		Parent Entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current assets					
Cash and cash equivalents	9	6,681	3,107	68	-
Trade and other receivables	10	13,467	12,393	-	-
Other current assets	11	612	261	-	-
Total current assets		20,760	15,761	68	-
Non-current assets					
Financial assets	12	12	9	26,290	22,997
Property, plant and equipment	13	1,704	1,997	-	-
Intangible assets	14	7,367	12,570	-	-
Deferred tax assets	16	1,760	927	-	-
Total non-current assets		10,843	15,503	26,290	22,997
Total assets		31,603	31,264	26,358	22,997
Current liabilities					
Trade and other payables	17	13,256	8,734	4,551	-
Current tax liabilities	16	145	874	-	-
Short-term provisions	19	1,345	652	572	-
Financial liabilities	18	19	744	19	-
Total current liabilities		14,765	11,004	5,142	-
Non-current liabilities					
Deferred tax liabilities	16	339	641	-	-
Long-term provisions	19	1,064	199	775	-
Total non-current liabilities		1,403	840	775	-
Total liabilities		16,168	11,844	5,917	-
Net assets		15,435	19,420	20,441	22,997
Equity					
Issued capital		44,885	21,100	44,885	21,100
Reserves		(2,407)	(1,274)	-	-
Accumulated losses		(27,043)	(406)	(24,444)	1,897
Total equity		15,435	19,420	20,441	22,997

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

Statements of Changes in Equity

for the year ended 31 December 2008

	Consolidated Group			
	Issued capital \$'000	Accumulated losses \$'000	Reserves \$'000	Total \$'000
Balance as 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)
Net loss recognised directly in equity	-	-	(956)	(956)
Profit attributable to members of parent	-	4,046	-	4,046
Total recognised income for the period	-	4,046	(956)	3,090
Shares issued under Dividend Reinvestment Plan	446	-	-	446
Share placements net of costs	717	-	-	717
Shares issued under employee share plans	734	-	-	734
Shares issued on exercise of share option plans	178	-	-	178
	21,100	1,350	(1,274)	21,176
Dividends paid	-	(1,756)	-	(1,756)
Balance as at 31 December 2007	21,100	(406)	(1,274)	19,420
Balance as at 1 January 2008	21,100	(406)	(1,274)	19,420
Adjustment arising from translation of foreign controlled entity's financial statements	-	-	(1,894)	(1,894)
Movement in value of hedge reserve	-	-	744	744
Net loss recognised directly in equity	-	-	(1,150)	(1,150)
Loss attributable to members of parent	-	(24,528)	-	(24,528)
Total recognised loss for the period	-	(24,528)	(1,150)	(25,678)
Shares issued under Dividend Reinvestment Plan	222	-	-	222
Share placements net of costs	22,502	-	-	22,502
Shares issued under employee share plans	1,061	-	17	1,078
	44,885	(24,934)	(2,407)	17,544
Dividends paid	-	(2,109)	-	(2,109)
Balance as at 31 December 2008	44,885	(27,043)	(2,407)	15,435

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

Statements of Changes in Equity

for the year ended 31 December 2008

	Share capital \$'000	Parent Entity		Total \$'000
		Accumulated losses \$'000	Reserves \$'000	
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 issued under employee share plans	734	-	-	734
Shares issued on exercise of share option plans	178	-	-	178
	21,100	3,653	-	24,753
Dividends paid	-	(1,756)	-	(1,756)
Balance at 31 December 2007	21,100	1,897	-	22,997
Balance as at 1 January 2008	21,100	1,897	-	22,997
Loss attributable to members of parent entity	-	(24,232)	-	(24,232)
Total recognised loss for the period	-	(24,232)	-	(24,232)
Shares issued under Dividend Reinvestment Plan	222	-	-	222
Share placements	22,502	-	-	22,502
Shares issued under employee share plans	1,061	-	-	1,061
	44,885	(22,335)	-	22,550
Dividends paid	-	(2,109)	-	(2,109)
Balance at 31 December 2008	44,885	(24,444)	-	20,441

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

Cash Flow Statements

for the year ended 31 December 2008

	Note	Consolidated Group		Parent Entity	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Cash flows from operating activities					
Receipts from customers		150,280	85,652	-	-
Payments to suppliers and employees		(142,336)	(80,672)	-	-
Interest received		257	122	879	-
Income tax paid		(2,042)	(1,298)	-	-
Interest and other costs of finance paid		(308)	(11)	-	-
Net cash provided by operating activities	23(a)	5,851	3,793	879	-
Cash flows from investing activities					
Payments to acquire plant and equipment		(586)	(603)	-	-
Payment for other non-current assets		(419)	(1,341)	-	-
Payments for acquisition of businesses	15	(21,228)	(4,035)	(21,228)	-
Net cash used in investing activities		(22,233)	(5,979)	(21,228)	-
Cash flows from financing activities					
Proceeds from issue of equity securities		23,380	50	23,380	-
Payment for share issue costs		(1,101)	(55)	(1,101)	-
Dividends paid		(1,862)	(539)	(1,862)	-
Net cash used in financing activities		20,417	(544)	20,417	-
Net increase/(decrease) in cash and cash equivalents held		4,035	(2,730)	68	-
Cash at the beginning of the financial year					
Effect of exchange rates on cash holdings in foreign currencies		(461)	(256)	-	-
Cash at the end of financial year	9	6,681	3,107	68	-

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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

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.

The financial statements were approved on 20 March 2009.

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.

Business Combinations

Business combinations occur when control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and the fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit and loss.

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.

1. Basis of Preparation (continued)

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.

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.

Interest revenue is recognised using the effective interest rate method.

d. Plant and Equipment

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

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	33%
Office equipment	20%–25%
Furniture and fittings	20%
Computer hardware	33%

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 is 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 the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

g. Financial Instruments

Recognition and Initial Measurement

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.

Classification and subsequent measurement

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.

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 significant or 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 the effective portion of 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.

1. Basis of Preparation (continued)

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 retrospective and prospective 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.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

ii. Web development costs

The website is considered to be a revenue generating asset and as such, all expenses incurred in the development of the web site 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 & 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.

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
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

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 group'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. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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.

1. Basis of Preparation (continued)

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.

i. Share based payments

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.

ii. Impairment

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.

iii. Provisions for impairment of receivables

The carrying amount of trade receivables is reviewed for indicators of impairment on a regular basis. Where there is an indication of impairment a provision for doubtful debt is made.

s. Adoption of new Accounting Standards

The consolidated group has not adopted any new standards in 2008.

t. Impact of new standards not yet adopted

Amended 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. Ambition Group is managed internally on a geographic basis which is consistent with the current segmental disclosure.

Management anticipate that this pronouncement will be adopted in the consolidated group's financial statements in the period 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	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Recruitment services revenue	128,949	79,016	-	-
Management fees paid to parent	-	-	1,256	-
Dividends received – intercompany	-	-	-	3,000
Interest received – other	257	122	9	-
Interest received – intercompany	-	-	884	-
Total revenue	129,206	79,138	2,149	3,000

3. (Loss)/profit from ordinary activities

(Loss)/profit from ordinary activities before income tax has been determined after the following significant expenses:

Finance costs				
- deferred purchase liability	436	247	436	247
- other	308	11	-	11
	744	258	436	258
Depreciation of non-current assets				
- plant and equipment	1,302	484	-	-
Amortisation of intangibles	275	173	-	-
	1,577	657	-	-
Share-based payments expense	1,001	862	-	-
Rental expense on operating leases				
- minimum lease payments	3,463	1,829	-	-
Significant expenses				
Impairment of goodwill	22,078	-	-	-
Impairment of other intangibles	1,586	-	-	-
Impairment of investment in subsidiaries	-	-	24,133	-
Provision for onerous contracts	1,592	-	1,347	-
Bad and doubtful debt provision	924	104	-	-

4. Dividends**Recognised Amounts**

Fully Paid Ordinary Shares

Interim fully franked dividend of 1.5 cents per share franked at a rate of 30% (2007: 2c)

786	660	786	660
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Unrecognised Amounts

Fully Paid Ordinary Shares

Final fully franked dividend of nil cents per share franked at a rate of 30% (2007: 4c)

-	1,323	-	1,323
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Adjusted franking account balance

1,193	1,387	1,193	1,387
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Impact on franking account of dividends not recognised

-	(567)	-	(567)
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The Directors have declared that there will be no final dividend.

5. Income tax expense

	Consolidated Group		Parent Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
a. The components of tax expense comprise:				
Current tax	(266)	1,898	(44)	(3)
Deferred tax asset	33	(21)	-	-
Deferred tax liability	302	(277)	-	-
Under/(over) provision in respect of prior years	(137)	(38)	-	-
	(68)	1,562	(44)	(3)
b. The prima facie tax on the (loss)/profit before income tax is reconciled to income tax as follows:				
Income tax calculated at 30% of operating profit:				
- consolidated group	(7,379)	1,682	-	-
- parent entity	-	-	(7,283)	823
Add tax effect of:				
- other non-deductible expenses	242	194	-	-
- non deductible interest	139	74	139	74
- non deductible impairment of goodwill and other intangible assets	7,100	-	-	-
- non deductible impairment of investment in subsidiaries	-	-	7,100	-
Less tax effect of:				
- overseas tax differential	(33)	(350)	-	-
- dividend from wholly owned subsidiary	-	-	-	(900)
- overprovision in prior period	(137)	(38)	-	-
	(68)	1,562	(44)	(3)
Applicable weighted average effective tax rates	1%	28%	1%	(1%)

The decrease in the weighted average effective consolidated tax rate for 2008 is a result of the impairment expense recognised.

6. Employee share plans

Sharesave Plans

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

The "Deferred Sharesave Plan" is open to all Australian employees and enables the purchase of 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 twelve 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 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. The shares are valued based on the quoted share price at the date of granting the shares.

	2008 No.	2007 No.
LTI shares in issue at the beginning of the year	3,683	3,287
Issued during the year	504	861
Transferred during the year	(545)	(465)
LTI shares in issue at the end of the year	3,642	3,683

Loan Share Plan

The Loan Share Plan is similar to the LTI Plan and is offered to Directors at the discretion of the Remuneration Committee. The LSP comprises a periodic offer of shares which vest over periods of up to four years, subject to the meeting of service and performance criteria.

A Director'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. The shares are valued based on the quoted share price at the date of granting the shares.

LSP shares in issue at the beginning of the year	-	-
Issued during the year	1,500	-
Transferred during the year	-	-
LSP shares in issue at the end of the year	1,500	-

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:

	2008 No. '000	2007 No. '000
\$0.34 options granted 18.07.08, expiring 18.07.13	650	-
	650	-
Total number issued to employees during the period	650	150
Total number issued to employees since commencement of the scheme	1,840	1,190
Total number vested/expired since commencement of the scheme due to termination of employment	1,190	1,190

The fair value of the options granted during the year was \$0.12.

This price was calculated using a Binomial pricing model applying the following inputs:

Exercise price	\$0.34
Life of the option	5 years
Underlying share price	\$0.34
Expected share price volatility	49.76%
Risk free interest rate	6.57%
Dividend yield	5.0%

6. Employee share plans (continued)

Historical volatility has been the basis for determining expected share price volatility as it is assumed this is indicative of future tender which may not eventuate.

There were no options exercised during the year.

7. Auditor's remuneration

	Consolidated Group		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Remuneration of the auditor of the consolidated entity for:				
Audit services				
- Australian firm	121,045	96,107	-	-
- overseas practices of the Australian firm	106,216	23,103	-	-
Taxation services				
- Australian firm	55,163	82,176	-	-
- overseas practices of the Australian firm	13,910	2,269	-	-
Other services				
- Australian firm - tax compliance and other services	88,816	15,901	-	-
- Australian firm - other	8,222	2,049	-	-
- overseas practices of the Australian firm	-	10,313	-	-
	393,372	231,918	-	-

8. Earnings per share

Basic (loss)/earnings per share (cents per share)	(48.35)	12.47
Diluted (loss)/earnings per share (cents per share)	(48.35)	12.43
(Loss)/earnings used in calculation of basic EPS	(24,527,897)	4,045,741
Potential earnings on options	-	416
(Loss)/earnings used in calculation of dilutive EPS	(24,527,897)	4,046,157
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS		
	50,729,353	32,453,020
Weighted average number of options outstanding		
	296,585	108,357
Weighted average number of ordinary shares outstanding during the period used in calculation of dilutive EPS	51,025,938	32,561,377

9. Cash

	Consolidated Group		Parent Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Cash at bank	6,681	3,107	68	-

10. Receivables

	Consolidated Group		Parent Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current				
Trade debtors	12,836	12,063	-	-
Provision for impairment	(1,028)	(104)	-	-
Other debtors	1,659	434	-	-
	13,467	12,393	-	-

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. As a result of this review there were doubts over the recoverability of certain trade receivables and a provision of \$1,028,000 (2007: \$104,000) has been recorded accordingly. The trade receivables provided for are mostly due to customers experiencing financial difficulties and problems associated with the current economic climate. The age of financial assets not impaired are as follows:

Trade debtors – amounts within terms				
Current or not more than 3 months	11,177	10,754	-	-
Trade debtors – past due but not impaired				
More than 3 months but not more than 6 months	1,414	768	-	-
More than 6 months but not more than 1 year	343	432	-	-
More than 1 year	(98)	109	-	-
	12,836	12,063	-	-

11. Other assets

Current				
Prepayments	612	261	-	-

12. Financial assets

Shares in listed corporations – at fair value	12	9	-	-
Investment in subsidiaries – at cost	-	-	50,423	22,997
Impairment of investment in subsidiaries	-	-	(24,133)	-
	12	9	26,290	22,997

The impairment of investment in subsidiaries reflect the impairment of cash generating units as disclosed in Note 14.

13. Property, plant and equipment

	Consolidated Group		Parent Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Leasehold improvements – at cost	2,926	1,796	-	-
Accumulated depreciation	(2,059)	(664)	-	-
	867	1,132	-	-
Plant and equipment – at cost	3,655	1,816	-	-
Accumulated depreciation	(2,818)	(951)	-	-
	837	865	-	-
Total property, plant and equipment	1,704	1,997	-	-

Year ended 31 December 2008 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	1,132	145	279	441	1,997
Assets acquired under business combination	83	3	27	230	343
Foreign exchange movement	79	9	(6)	(11)	71
Depreciation expense	(591)	(65)	(201)	(445)	(1,302)
Impairment loss	(249)	-	-	-	(249)
Additions	413	113	151	167	844
Carrying amount at the end of the year	867	205	250	382	1,704

The impairment loss has been included in the provision for onerous contracts in the income statement.

Year ended 31 December 2007 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

14. Intangible assets

	Consolidated Group		Parent Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Goodwill – at cost	29,523	12,229	-	-
Candidate database – at cost	1,586	-	-	-
Computer software – at cost	872	596	-	-
Web development – at cost	627	547	-	-
Accumulated amortisation	(1,108)	(802)	-	-
Impairment of intangibles	(24,133)	-	-	-
	7,367	12,570	-	-

Year ended 31 December 2008
Movements in carrying amounts

	Goodwill	Candidate Database	Software	Web Development	Total
Balance at the beginning of the year	12,229	-	265	76	12,570
Foreign exchange movement	-	-	(1)	21	20
Amortisation	-	-	(189)	(86)	(275)
Impairment	(22,547)	(1,586)	-	-	(24,133)
Additions	17,293	1,586	255	51	19,185
Carrying amount at the end of the year	6,975	-	330	62	7,367

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 but is reviewed at each reporting date for impairment. A \$353,000 foreign exchange difference to the income statement occurred on translation.

Year ended 31 December 2007
Movements in carrying amounts

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

14. Intangible assets (continued)

Impairment Disclosures

A review of the goodwill balance at the half-year did not indicate the need for impairment. This was decided on the operating results for the period to 30 June 2008. The sector as a whole has experienced a downturn resulting from the global economic crisis in the second half of the year. As a result of this at 31st December 2008 it was found that some assets were impaired.

The revised goodwill impairment model's Net Present Value (NPV) takes into consideration a lower revenue growth rate for the Ambition Group.

Goodwill is allocated to cash-generating units as follows:

	2008 \$'000	2007 \$'000
Recruitment		
McGinty Recruitment	–	3,779
Watermark Search	1,887	6,208
Computemp Technology	–	1,221
Witan Jardine	5,088	–
Other acquisition costs	–	1,021
	6,975	12,229

The recoverable amount of each cash-generating unit is determined on a value-in-use basis. Value-in-use is calculated based on the present value of cash flow projections over a five-year period. The cash flows are discounted based on the group's weighted average cost of capital. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. As the CGU's reflect the subsidiary undertakings, there has also been an impairment write down in the carrying value of the investments in Note 12.

A brief description of the cash generating units follow:

- Watermark is an executive search business executing retained assignments primarily for CEOs, CFOs and CIOs.
- Witan Jardine is a London based recruitment company specialising in permanent and contracting placements across a broad range of industry sectors.
- McGinty offers recruitment services to accounting, human resource, information technology, and administrative sectors.
- Computemp has been successfully integrated into the business and is no longer separately identifiable.

Key assumptions used for value-in-use calculations

	Growth Rate %	Discount Rate %
McGinty Recruitment	5%	11.5%
Watermark Search	80%	11.5%
Witan Jardine	25%–55%	11.5%

The stronger growth projections for Witan Jardine in years 2 to 4 reflects the low base cash flow forecasts in the next financial year and the higher volatility in the UK market.

The growth rates above have been used to extrapolate cash flow projections beyond the next financial year. The forecasts used for the next financial year are based on recent forecasts.

The Computemp business has been successfully integrated into the business. Given the time since acquisition and the integration there is no separately identifiable CGU and hence the goodwill has been expensed.

Management has based the value-in-use calculations on budgets. These budgets use expected 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.

15. Acquisition of a Subsidiary

During the period, Ambition Group Limited purchased 100% of the share capital of Witan Jardine, a London based recruitment company. The acquisition occurred on 21 January 2008 for an initial consideration of £12.6m. A further payment will be made in March 2009 based on the results for the year ending 31 December 2008.

	\$'000
Purchase consideration	28,220
The purchase price was allocated as follows:	
Cash consideration in 2008	21,228
Pre 2008 acquisition costs	969
Net cash obtained on acquisition	2,170
Shares issued	224
Deferred purchase liability	3,865
Foreign exchange	(236)
	28,220
Assets and liabilities acquired at acquisition date:	
Cash	8,851
Trade receivables	12,053
Property, plant and equipment	343
Intangible assets	3
Trade payables	(14,163)
Candidate database	1,586
Net Assets acquired	8,673
Goodwill on consolidation	19,547
Goodwill after impairment	5,088

Goodwill arose because the cost of the combination included a control premium paid to acquire Witan Jardine. The candidate database acquired as part of the acquisition was valued based on future cash flows and recognised at fair value at the date of acquisition. The database was reviewed for impairment at 31 December 2008 and as a result of current market conditions it has been assessed as being fully impaired and has been written off. In addition the consideration paid for Witan Jardine effectively included amounts in relation to the benefits from expected synergies, future revenue growth and skilled workforce. The benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured under AASB 138 Intangible Assets.

Total acquisition costs comprise cash consideration, deferred consideration and professional fees incurred in 2007 and 2008. The costs above are have been translated at the foreign exchange rate on the date payment was made. As a result there is a foreign exchange difference of \$353,000 between the goodwill impairment loss shown above and that shown in the closing goodwill at 31 December 2008.

To fund the acquisition and related costs, Ambition Group Limited issued 16.9m shares and raised approximately \$23.4m in new capital. This was completed in January 2008.

As a result of this acquisition there was a decrease in profit before tax of \$14.5m due to impairment losses which arise within the UK entities.

Consideration for Witan Jardine is part payable over an earn-out period of one year based on performance.

15. Acquisition of a Subsidiary (continued)

Cash considerations for acquisitions paid during the current financial year:

	2008 \$'000	2007 \$'000
McGinty Recruitment	-	1,704
Watermark Search	-	2,331
Witan Jardine	21,228	-
	21,228	4,035

16. Tax

	Consolidated Group		Parent Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
a. Liabilities				
Current				
Income Tax	145	874	-	-
Non-current				
Deferred tax liability comprises:				
- share based payments	339	641	-	-
b. Assets				
Non-current				
Deferred tax assets comprise:				
- Provisions	1,760	927	-	-
Reconciliations of deferred tax				
i. Movements				
Opening balance	286	584	-	-
Charged/(released) to income statement	1,135	(298)	-	-
Closing balance	1,421	286	-	-
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	641	364	-	-
- (Released)/charged to income statement	(302)	277	-	-
Closing balance	339	641	-	-
iii. Deferred Tax Asset				
The movement in deferred tax asset for each temporary difference during the year is as follows:				
Provisions				
- Opening balance	927	948	-	-
- Charged/(released) to income statement	833	(21)	-	-
Closing balance	1,760	927	-	-

17. Trade and other payables

	Consolidated Group		Parent Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current				
Trade payables	9,155	8,734	450	-
Witan Jardine purchase liability	4,101	-	4,101	-
	13,256	8,734	4,551	-

18. Financial liability

Net fair value of derivative financial liability	19	744	19	-
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In very limited circumstances, Ambition Group Limited uses forward exchange contracts to mitigate exchange rate exposure. At the balance date the group had a forward contract in relation to the acquisition of Witan Jardine. On the 6th February 2009 this was exited at a cost of \$19,000.

19. Provisions

Current				
Employee benefits	773	652	-	-
Provision for onerous contracts	572	-	572	-
	1,345	652	572	-
Non-current				
Employee benefits	289	199	-	-
Provision for onerous contracts	775	-	775	-
	1,064	199	775	-
Employee entitlements				
Balance at 1 January	851	491	-	-
Additional provisions	1,632	1,633	-	-
Amounts used	(1,421)	(1,273)	-	-
Balance at 31 December	1,062	851	-	-
Onerous Lease Provision				
Balance at 1 January	-	-	-	-
Additional provisions	1,347	-	1,347	-
Amounts used	-	-	-	-
Balance at 31 December	1,347	-	1,347	-

A provision has been recognised for employee entitlements for long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Provisions made for onerous contracts relates to the rental lease of office premises. The economic outflow will occur over the next 5 years. The office premises will not be used by the group and therefore the economic outflow exceeds the economic benefit of the lease contracts.

20. Controlled entities

	Country of Incorporation	Parent Entity Interest %	
		2008	2007
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	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
Witan Jardine Holdings Limited	UK	100	-
Witan Jardine City Limited	UK	100	-
Witan Jardine Executive Limited	UK	100	-
Witan Jardine Media Limited	UK	100	-
Witan Jardine Professional Limited	UK	100	-

21. Contributed equity

52,549,292 (2007: 33,072,347) fully paid ordinary shares of \$1.00 each

a. Ordinary Shares

	Consolidated Group		Parent Entity	
	2008 No. '000	2007 No. '000	2008 No. '000	2007 No. '000
Balance at the beginning of the year	33,072	31,160	33,072	31,160
Employee share plan issues	2,196	891	2,196	891
Shares issued under DRP	421	279	421	279
Share placements	16,860	492	16,860	492
Options exercised	-	250	-	250
Balance at the end of the year	52,549	33,072	52,549	33,072

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. The shares have no par value.

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

	Consolidated Group		Parent Entity	
	2008 No. '000	2007 No. '000	2008 No. '000	2007 No. '000
Balance at the beginning of the year	-	100	-	100
Options issued during the year	650	150	650	150
Options expired during the year	-	-	-	-
Employee options exercised	-	(250)	-	(250)
Balance at reporting date	650	-	650	-
Exercisable at \$0.34 expiring 18.07.13	650	-	650	-
	650	-	650	-

c. Treasury Shares

Balance at the beginning of the year	1,771	1,624	1,771	1,624
Issued during the year	2,004	861	2,004	861
Vested during the year	(735)	(714)	(735)	(714)
Balance at reporting date	3,040	1,771	3,040	1,771

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 2008, management paid dividends of \$1,862,000 (2007: \$1,756,000). The Directors have declared that there will be no final dividend.

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	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Total borrowings	-	-	-	-
Total equity	15,435	19,420	20,441	22,997
Total capital	15,435	19,420	20,441	22,997
Gearing ratio	0%	0%	0%	0%

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

22. Accumulated losses and reserves

a. Movements in accumulated losses were as follows:

	Consolidated Group		Parent Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance at 1 January	(406)	(2,696)	1,897	908
Net profit/(losses)	(24,528)	4,046	(24,232)	2,745
Dividends	(2,109)	(1,756)	(2,109)	(1,756)
Balance at 31 December	(27,043)	(406)	(24,444)	1,897

b. Reserves

Foreign currency reserve				
Balance at 1 January	(530)	(318)	-	-
Revaluation of foreign subsidiary assets and liabilities	(1,894)	(212)	-	-
Balance at 31 December	(2,424)	(530)	-	-
Hedge reserve				
Balance at 1 January	(744)	-	-	-
Decrease in hedge reserve due to forward contract	-	(744)	-	-
Increase in hedge reserve due to forward contract cancelled	744	-	-	-
Balance at 31 December	-	(744)	-	-
Loan Share Plan				
Balance at 1 January	-	-	-	-
Increase in loan share plan reserves	17	-	-	-
Balance at 31 December	17	-	-	-
Total reserves	(2,407)	(1,274)	-	-

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

At the balance date the group had a forward contract in relation to the acquisition of Witan Jardine. On the 6th February 2009 this was exited at a cost of \$19,000 which was subsequently provided for in the 2008 financial statements.

Loan Share Plan Reserve

At the balance date there was a \$17,000 receivable relating to the Loan Share Plan.

23. Cash flow information**a. Reconciliation of Cash Flow from Operations with profit/(loss) from ordinary activities after income tax**

	Consolidated Group		Parent Entity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
(Loss)/profit from ordinary activities after income tax	(24,528)	4,046	(24,232)	2,745
Non-cash flows in profit from ordinary activities				
- Impairment of goodwill	22,078	-	-	-
- Impairment of other intangibles	1,586	-	-	-
- Impairment of investment in subsidiaries	-	-	24,133	-
- Amortisation of intangible assets	275	173	-	-
- Depreciation	1,302	483	-	-
- Impairment of fixed assets	245	-	-	-
- Income tax (income)/expense	(68)	1,562	(44)	(3)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:				
- Decrease/(increase) in trade and term debtors	9,803	(4,905)	-	-
- Decrease/(increase) in intercompany amounts	-	-	1,022	(2,742)
- Decrease/(increase) in prepayments	647	(143)	-	-
- Decrease/(increase) in other debtors	(1,226)	(231)	-	-
- Increase/(decrease) in trade creditors & accruals	(5,780)	2,449	-	-
- Increase/(decrease) in provisions	1,517	359	-	-
Cash flows from operating activities	5,851	3,793	879	-

b. Non-cash financing and investing activities

420,755 (2007: 771,366) shares were issued in relation to the company's Dividend Reinvestment Plan. 16.9 million shares were issued to fund the acquisition during the year as noted in Note 15.

c. Credit standby arrangements

The consolidated group has a loan facility of \$5 million. 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 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:

Financial Assets				
Cash (floating interest)	6,681	3,107	1.38	4.90

Other financial assets and liabilities are non-interest bearing.

24. Financial Risks (continued)

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:

	2008 \$'000 A\$	2008 \$'000 Other	2007 \$'000 A\$	2007 \$'000 Other
Financial assets	-	-	-	-
Financial liabilities	19	4,101	744	-
Short-term exposure	19	4,101	744	-
Financial assets	12	-	9	-
Financial liabilities	-	-	-	-
Long term exposure	12	-	9	-

The final consideration payable in March 2009 for the Witan Jardine is based on a earn out period and is payable in Great British Pounds. The group has sufficient funds in this currency to make the final payment and therefore will not incur any foreign exchange risk.

iii. Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows 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 and also raises equity when required. Funding for long-term liquidity needs is secured by having an adequate amount of credit facilities in place.

At 31 December 2008, the group's liabilities have contractual maturities which are summarised below:

	Current				Non-current			
	within 6 months		6 to 12 months		1 to 2 years		2 to 5 years	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Trade payables	13,256	8,734	-	-	-	-	-	-
Other short term financial liabilities	145	874	-	-	-	-	-	-
Derivatives	19	744	-	-	-	-	-	-
Provision for onerous leases	286	-	286	-	431	-	344	-
Total	13,706	10,352	286	-	431	-	344	-

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

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.

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	
	2008	2007
	\$'000	\$'000
Classes of financial assets – carrying amounts		
Cash and cash equivalents	6,681	3,107
Available for sale financial assets	12	9
Trade and other receivables	14,079	12,654
	20,772	15,770

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.

Derivative financial liabilities

Pound sterling forward contracts-cash flow hedge	19	744
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Over the course of the year the company had two forward exchange contracts operating. The first contract was closed during the year and the second cancelled on the 6th February 2009. The cost of cancelling the contract was \$19,000 which has been provided in full. Since the forward contract has been cancelled there is no exposure to market risk. As a result no hedge reserve position existed on 31 December 2008.

Forward Exchange of Contracts

The consolidated group enters into forward 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 accounting policy in regard to forward exchange contracts is detailed in Note 1(g).

24. Financial Risks (continued)

At balance date, the detail of the outstanding forward exchange contract is:

	Buy Pounds Sterling		Average exchange rate	
	2008 £'000	2007 £'000	2008 £	2007 £
Sell Australian Dollars				
Settlement				
Less than 6 months	-	9,116	0.49	0.42

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	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Payable:				
- not longer than 1 year	3,584	2,396	-	-
- longer than 1 year but not longer than 2 years	2,941	2,398	-	-
- longer than 2 years but not longer than 5 years	1,202	3,072	-	-
	7,727	7,866	-	-

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. Provisions have been made for onerous contracts related to the rental lease of office premises which is split \$424,000 less than 1 year, \$369,000 between 1 and 2 years and \$418,000 between 2 and 5 years. These have not been adjusted for in the disclosure of lease commitments.

26. Contingent liabilities

Bank guarantees in relation to property leases	1,321	869	-	-
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There is a floating charge over the assets of several group companies in relation to a \$5 million bank facility.

27. Segment Reporting

	Australia		Asia		Europe		Unallocated		Consolidated Entity	
	31 Dec 2008 \$'000	31 Dec 2007 \$'000	31 Dec 2008 \$'000	31 Dec 2007 \$'000	31 Dec 2008 \$'000	31 Dec 2007 \$'000	31 Dec 2008 \$'000	31 Dec 2007 \$'000	31 Dec 2008 \$'000	31 Dec 2007 \$'000
Primary reporting – Geographical segments										
a. Revenue										
External revenue	81,784	68,610	9,516	10,406	37,649	–	–	–	128,949	79,016
Interest revenue	40	111	1	11	216	–	–	–	257	122
Total segment revenue	81,824	68,721	9,517	10,417	37,865	–	–	–	129,206	79,138
b. Result										
(Loss)/profit before income tax	(8,583)	4,628	1,051	2,782	(14,528)	–	(2,536)	(1,802)	(24,596)	5,608
Income tax expense	(438)	(1,614)	(337)	(489)	82	–	761	541	68	(1,562)
(Loss)/profit after income tax	(9,021)	3,014	714	2,293	(14,446)	–	(1,775)	(1,261)	(24,528)	4,046
c. Assets										
Segment assets	10,386	24,738	10,938	6,526	10,279	–	–	–	31,603	31,264
d. Liabilities										
Segment liabilities	2,814	9,296	4,818	2,548	8,536	–	–	–	16,168	11,844
e. Other										
Depreciation and amortisation of segment assets	1,236	503	189	154	152	–	–	–	1,577	657
Other non-cash segment expenses	1,135	1,250	143	148	10	–	436	299	1,724	1,697
Impairment of non current assets and onerous contracts	10,913	–	–	–	14,343	–	–	–	25,256	–

Intersegment transfers

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

Business segments and 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.

	2008 \$'000	2007 \$'000
Amounts owing to Directors – Directors' fees	–	37
Dividend payment to parent	–	3,000
Management fees	1,256	411
Interest from subsidiary	884	–

The parent entity has reimbursed the subsidiary undertakings for an onerous lease provided for in relation to office operating lease for \$1,347,000.

29. Subsequent events

At the balance date the group had a forward contract in relation to the acquisition of Witan Jardine. On the 6th February 2009 this was exited at a cost of \$19,000.

Directors' Declaration

The Directors of the company declare that:

1. The financial statements and notes, as set out in pages 14 to 43, 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 2008 and of the performance for the year ended on that date of the company and consolidated group
2. the Group Managing Director (and as acting CFO) has 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
Co-Founder & Chairman

20 March 2009



Paul Lyons
Co-Founder & Group Managing Director



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

Report on the financial report

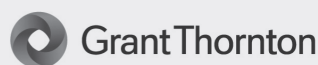
We have audited the accompanying financial report of Ambition Group Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.



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

Auditor's responsibility (cont)

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 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 circumstances, 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 opinions.

Independence

In conducting our audit, we complied with applicable 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 2008 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.

Report on the remuneration report

We have audited the remuneration report included in paragraphs a to f on pages 8 to 11 of the directors' report for the period ended 31 December 2008. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



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

Auditor's opinion

In our opinion the remuneration report of Ambition Group Limited for the period ended 31 December 2008, complies with section 300A of the Corporations Act 2001.

Grant Thornton NSW

GRANT THORNTON NSW
Chartered Accountants

G S Layland

G S Layland
Partner

Sydney, 20 March 2009

Additional Information

1. Shareholdings

a. Distribution of security holders numbers (as at 13 March 2009):

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	69	221	85	206	64

b. The number of shareholders holding less than a marketable parcel is 222 (2007: 41).

c. The names of the substantial shareholders listed on the company's register as 13 March 2009 are:

	Number
Victor John Plummer	7,607,562
Nicholas Waterworth and associates	7,554,423
Paul Lyons and associates	5,958,249
Ambition Employee Share Managers Pty Limited (DESP)	2,900,234
Austock Nominees Pty Limited	2,843,762
ANZ Nominees Limited	2,835,000

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 13 March 2009)

	Number	%
Victor John Plummer	7,607,562	14.5%
Carefully Considered Investments Pty Limited	4,924,998	9.4%
Ambition Employee Share Managers Pty Limited (DESP)	2,900,234	5.5%
Austock Nominees Pty Limited	2,843,762	5.4%
ANZ Nominees Limited	2,835,000	5.4%
James N Kirby Holdings Pty Limited	1,903,559	3.6%
Dixson Trust Pty Limited	1,738,263	3.3%
Ambition Employee Share Managers Ptd Limited (ELSP)	1,500,000	2.9%
Guy Nicholas Day	1,030,027	2.0%
Little Acorns Investments Pty Limited	945,281	1.8%
About Investments Pty Limited	932,321	1.8%
Mr Andrew John Winterburgh	874,464	1.7%
HSBC Custody Nominees (Australia) Limited	784,856	1.5%
Ambition Employee Share Managers Pty Limited (OESP)	741,667	1.4%
Mr Paul Antony Young	718,581	1.4%
Riverland Capital Ltd	650,000	1.2%
Clapsy Pty Limited	547,034	1.0%
Waterby Investments Pty Limited	534,752	1.0%
Clavedon (Vic) Pty Ltd	500,000	1.0%
Mr Roderic Reginald Leefe	500,000	1.0%
	35,012,361	66.6%

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 2008.

3. Company Secretary

On 17 October 2008 Victor Cuthell resigned his position of Company Secretary.

On 17 October 2008 Paul Manchester was appointed to the position of Company Secretary.

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www.myambition.com.au
www.watermarksearch.com.au
www.witanjardine.co.uk

Share Registry

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Adelaide SA 5000

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

