AMBITION GROUP LIMITED.

Appendix 4E information
31st December 2013

ABN 31 089 183 362

Ambition Group is a global boutique recruitment business operating in the areas of finance & accounting, banking & financial services, information technology, sales & marketing, HR as well as an executive search offering. Our office network covers Sydney, Parramatta, Melbourne, Brisbane, Perth, Hong Kong, Singapore, Kuala Lumpur, Tokyo and London. Our vision is 'Building Better Futures' for our candidates, client organisations and employees.

The Directors of Ambition today announced annual results for the year ended 31st December 2013. Headline numbers are:

	31 Dec 2013	31 Dec 2012
Revenue ($'000)	82,930	87,427
(Loss) / Profit before Tax ($'000)	(1,457)	306
(Loss) / Profit after Tax ($'000)	(1,434)	69
Diluted (Loss) / Earnings Per Share (cps)	(2.14)	0.10
Net cash ($'000)	5,225	6,457

2013 saw a year of subdued demand for hiring and ongoing structural change in the recruitment industry in the markets in which Ambition Group operates.

Revenue fell by 5.1% from $87.4m to $82.9m with gross profit falling by 4.2% from $39.1m to $37.4m. Due to a small change in the split between temporary and permanent recruitment revenues, the gross profit margin increased slightly from 44.7% to 45.1%.

Net loss after tax was $1.4m (FY 2012: profit $0.1m) incorporating a loss in the Australian operations of $0.3m, UK operations of $0.2m and a profit in Asian operations of $0.8m, after charging $0.1m for the new offices in Kuala Lumpur and Tokyo. There was also a charge of $0.7m for redundancies, plus unallocated costs.

A profit of $0.8m was achieved in Asia, after charging establishment costs of $0.1m for the offices in Kuala Lumpur and Tokyo.

Cash from operating activities was an outflow of $1.1m (2012: Outflow $0.4m) largely reflecting the loss for the year. The Consolidated Group maintained a net cash position throughout the year and did not draw on its debt facilities.

Enquiries:
Nick Waterworth, Executive Chairman: +612 9249 5000

Results for announcement to the market

Financial year ended ('current period') : 31 December 2013
Previous corresponding period: 31 December 2012

	31 Dec 2013	31 Dec 2012	Change	Change
	$'000	$'000	$'000	%
Revenue from ordinary activities	82,930	87,427	(4,497)	(5%)
(Loss) / Profit before tax	(1,457)	306	(1,763)	(576%)
(Loss) / Profit after tax attributable to Owners of the Parent	(1,413)	69	(1,482)	(2,147%)
Basic (loss) / earnings per share (cents per share) to Owners of the Parent	(2.14)	0.11	(1.92)	(1,745%)

Dividends
The Directors have declared that there will be no final dividend for 2013.

2013 ANNUAL REPORT

Ambition Group Limited

ambition

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Introduction

A drive for simplicity, clarity and a crystal clear focus on results.

Early 2014 saw some fundamental changes implemented at Ambition Group which have significantly simplified and streamlined our approach to management and placed the onus on four abiding principles:

- Empowering experienced country managing directors to run business units. Each, highly experienced in their market, have P & L responsibility, a long-term equity incentive tied to shareholder returns and, at the same time, a strong buy-in to the Group's mission

- A small central team consisting of the executive chairman, a Group CFO, an IT Director and an engaged team of non-executive directors, who define strategy, provide direction to the businesses and allocate resources.

Ambition are able to source high calibre passive job seekers

HR Director, multinational pharmaceutical company.

- A focus on "an inch wide, a mile deep" in all of our markets. This engenders intense market knowledge allowing true value-add advice to clients and, most importantly, knowledge of and access to the hard to find passive candidates - those who do not sit on a data base somewhere or respond to online job ads.

- A drive for productivity. We have a real opportunity to drastically change the Group's results by helping each and every one of our consultants increase their personal revenue. Greater use of technology, more focused on-the-job training and development, inter-office cooperation, more emphasis on generating candidate referrals and sourcing -all of these will contribute. Even a return to 2007 levels would generate more than satisfactory profitability.

Ambition have placed me in my last two roles and always carefully listen to my requirements

IT manager, international manufacturer.

AccountAbility

ambition

Watermark
SEARCH INTERNATIONAL

Introduction (cont.)

> *I used both Ambition and AccountAbility and they were timely and provided well-screened candidates*
>
> CFO, international insurance company.

2013 saw a year of muted demand for hiring and ongoing structural change in our industry. Overall, 2013 was a disappointing year where we were unable to achieve our stated aim of restoring the company to profitability. Our summary annual result was as follows:

	2013	2012
Revenue	82,930	87,427
EBITDA	(541)	1,342
NPAT	(1,434)	69

Australia

In Australia, the protracted federal election campaign combined with the end of the construction phase of the mining boom spelt subdued demand for white collar recruitment and a 'miss match' between country-wide GDP numbers and the fortunes of the recruitment industry.

Generally, employers were recruiting only to replace a departed executive, with limited growth orientated hiring. In fact in many instances, organisations were attempting to avoid recruiting altogether and get by with existing teams or even embark on offshoring.

Nevertheless, there were positives. We have retained a strong base of contractors in both IT and accounting and aim to build on this during 2014. We have also begun offering some 'unbundled' services such as payrolling existing contractors for clients as well as certain abridged recruitment products.

United Kingdom

In the United Kingdom, whilst the latter part of the year saw some clear improvement in business conditions, especially in London, overall it was another difficult period.

However, we believe we are now better placed than at any time over the last few years with a strong leadership team in place and a re-focused approach to the market. Our specialisation in London is now recruiting 'back-office' and marketing executives in two key segments: professional services and non-bank financial institutions especially insurance and funds managers. In these areas, clients are demanding a high level of service which plays to our strength rather than certain other industries which are much more volume orientated.

Asia

Asia was most definitely more positive but even here the stuttering global economy resulted in fluctuating performance on a month to month basis.

However, our market position and reputation in Hong Kong and Singapore remains high and despite increased competition Ambition is first choice for many clients when recruiting in our core disciplines which include accounting, banking, IT and marketing. We are excited about growth opportunities in these cities.

Introduction (cont.)

New Offices

We have a stated strategy of growing our Asian network and we have recently opened offices in Kuala Lumpur and Tokyo.

Over the last 12 months we have been servicing a number of clients in Malaysia from Singapore and our executive leading this has now moved to Kuala Lumpur to manage the office. This activity has enabled us to build knowledge of the business environment, establish a growing data base of candidates and be in a position for a ‘warm start’. Our initial offerings will be in IT and accounting/finance.

Opening an office in Tokyo is one of the most significant moves Ambition Group has made over the last few years. Japan is the second largest recruitment market in the world and we have hired a leader who has spent many years operating in Japan. Furthermore, there are cross-fertilisation opportunities with multinationals and international banks that we service elsewhere in Asia. We have commenced in the accounting/finance and IT disciplines and our main focus will be on bilingual executives for multinationals.

Staff

We are fortunate to have talented and resourceful teams in each of our offices. In a crowded industry, it is the quality of service we deliver that helps us to stand out. Longevity is also important for Ambition Group and, for example, in Australia over 30% of our people have been with us for 4 years.

I want to say a big thank you to all our staff, whether they be front line consultants or those involved in support functions - the board very much appreciates your dedication.

Conclusion

The last few years have been frustrating for the company and of course for our shareholders. As I stated in the announcement when I moved back in to the Chairman role, I will not be accepting a short-term incentive until we have successfully reinstated dividends.

I do, however, believe we are in the best position we have been for a number of years internally and externally there are early signs of recovery in the recruitment markets around the world.

Nick Waterworth
Executive Chairman, Ambition Group

We recruited marketing executives across the Asia-Pacific region through Ambition and have been delighted with the candidates

Marketing Director, financial services group.

Corporate Governance Statement

Compliance with ASX Good Practice Recommendations

Except as disclosed below, the good practice recommendations of the Australian Securities Exchange ("ASX") Corporate Governance Council have been applied for the entire financial year ended 31 December 2013 at Ambition Group Limited ("the Company") and its controlled entities ("the Consolidated Group").

The Board and management of Ambition Group Limited recognise the benefits of independence and support the ASX guidelines in this regard. During the year, the Remuneration Committee was expanded to include Human Resources and Nomination Committee functions. In addition, the composition of the Audit Committee was expanded to include all of the Non-Executive directors.

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

Board composition and charter

At the balance sheet date, the Board comprised three Non-Executive Directors, one of whom was Chairman and two Executive Directors as follows:

Nick Waterworth

Cathy Doyle

Paul Young

Eric Dodd

Guy Day

On 20th January 2014, Eric Dodd resigned from his position as Non-Executive Chairman and Guy Day resigned his position as Executive Director and Chief Executive Officer. On the same day, Mr Nick Waterworth was appointed Executive Chairman of Ambition Group Limited. Mr Waterworth is also a major shareholder in the Company. Given the depth of his company experience and industry standing, he is considered to be excellently placed to serve as Chairman, notwithstanding that pursuant to the ASX recommendation he is not considered as "independent" Chairman. The deputy chairman, Mr Paul Young, is an independent Director, other than he has a greater than 5% shareholding. The Non-Executive Directors will meet as necessary without Nick Waterworth present. For these reasons the ASX recommendation for an independent Chairman has not been adopted.

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.

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

- Overseeing and directing the consolidated group on behalf of shareholders
- Appointing and removing key executive officers
- 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 key executive remuneration
- Reviewing external auditor reports
- Monitoring the financial performance of the Consolidated Group

Corporate Governance Statement (cont.)

The Board has established the following committees:

- Audit Committee
- Remuneration, Human Resources and Nominations Committee

Responsibility for the day-to-day management of the Company is delegated by the Board to the Executive Chairman assisted by the management team. The Executive Chairman 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 of interest 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 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 month and proceedings are in accordance with the rules of the Constitution of the Company.

Remuneration, Human Resources and Nominations Committee

The Remuneration, Human Resources and Nominations Committee currently consists of the Executive Chairman Nick Waterworth and the two Non-Executive Directors Cathy Doyle and Paul Young. Eric Dodd was a member of the committee until his resignation on 20 January 2014. The Chairman, Cathy Doyle, is not the Chairman of the Board. The responsibilities of the Committee include a review of and recommendation to the Board on:

- Remuneration And Incentive Policies For The Executive Directors
- Remuneration And Incentive Policies For Key Executives
- The Consolidated Group'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 quarterly or as otherwise required. The meeting is minuted and the minutes tabled at the next convenient Board meeting.

Remuneration policies

The Remuneration, Human Resources and Nominations Committee has developed a policy for Key Management Personnel and Senior Management after consultation with an independent remuneration consultant from CRA Plan Managers Pty Ltd. 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 a number of factors including the annual financial result of the Consolidated Group and of the divisions for which they are directly responsible. Any performance incentive is paid annually after completion of the annual external audit of the Consolidated Group's accounts.

Corporate Governance Statement (cont.)

The Remuneration, Human Resources and Nominations Committee determine the remuneration of the Key Management Personnel and Senior Management. Remuneration may consist of a base remuneration, short-term and long-term performance incentives. The level of remuneration is set to ensure the Consolidated Group 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 Key Management Personnel and Senior Management policies and structures is contained in the Remuneration Report on page 16.

Audit Committee

The committee currently consists of the two Non-Executive Directors, Cathy Doyle and Paul Young. Eric Dodd was a member of the committee until his resignation on 20 January 2014. All members are financially literate, with at least one member having professional financial expertise. The Chairman, Paul Young, is not the Chairman 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 consolidated group'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. Key executives of the Company may attend the meetings by invitation. The Consolidated Group's 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 Consolidated Group's employees.

Continuous disclosure

Ambition's shares are listed on the 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 Consolidated Group 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.

Corporate Governance Statement (cont.)

Share trading

Employees of Ambition may only trade the Consolidated Group's shares during open periods. These periods are advised by the Consolidated Group's Company Secretary or Executive Chairman and generally include the 28 days immediately following:

- release to the ASX of the Consolidated Group's annual result;
- release to the ASX of the Consolidated Group's half-year result;
- the Consolidated Group's Annual General Meeting;
- any other time the Board considers the market to be fully informed about the Consolidated Group's operations.

Shareholder communication

The Executive Chairman is responsible for communication with significant stakeholders, analysts and the business community in general. The Consolidated Group's 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 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

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

Diversity

Ambition is a company that prides itself on the diversity of its workforce. The Company is made up from individuals with various skills, backgrounds and experiences. Ambition is extremely proud of its multicultural team with employees from over 10 countries. In order to attract and retain a diverse and highly skilled workforce, Ambition is dedicated to providing a workplace in which all employees are treated equally and with respect. The Group recognises that diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

Ambition is committed to fostering gender diversity in its workforce. The following table shows the split of genders throughout the Group as at the date of this report.

	Male	Female	Total
Board	2	1	3
Other Key Management Personnel	1	0	1
Manager	31	34	65
All other staff	53	125	178
	87	160	247

Ambition believes in employing the right person for the right job, regardless of gender. Rather than setting specific targets, Ambition has a workplace that is fair to all employees.

Directors' Report

The Directors of Ambition Group Limited ("the Company") present their report on the Company and its controlled entities ("the Consolidated Group") for the year ended 31 December 2013.

Directors

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

Nick Waterworth - appointed Executive Chairman 20 January 2014

Cathy Doyle

Paul Young

Eric Dodd - appointed 18 March 2013, resigned 20 January 2014

Guy Day - resigned 20 January 2014

Paul Lyons - resigned 14 May 2013

Principal activity

The principal activity of the Consolidated Group during the year was permanent and contracting recruitment in the areas of accounting, banking and finance, information technology, human resources, sales and marketing, and executive search.

Consolidated Group operating results

The consolidated loss of the Consolidated Group before income tax amounted to $1,457,000 (2012: Profit of $306,000). The consolidated loss of the Consolidated Group after income tax amounted to $1,434,000 (2012: Profit of $69,000).

Operational review

Ambition Group Limited (ASX: AMB) undertakes permanent and contracting recruitment in the areas of accounting, banking and finance, information technology, human resources, sales and marketing plus executive search. We have offices in Australia, United Kingdom, Hong Kong, Singapore, Malaysia and Japan.

Ambition was established in 1999 and listed on the Australian Securities Exchange at that time.

Ambition Group operates through the Ambition, AccountAbility and Watermark brands. The latter two brands only operate in Australia.

Ambition Group employs 247 staff through offices in Sydney, Brisbane, Melbourne, Parramatta and Perth in Australia; Hong Kong, Singapore, Kuala Lumpur and Tokyo in Asia; and London in the United Kingdom.

	Australia	Asia[1]	United Kingdom	Total
Revenue contribution ($'000)	$59,203	$10,905	$12,822	$82,930
Offices	5	4	1	10
Employees	134	66	47	247

[1] The offices in Kuala Lumpur and Tokyo commenced business in December 2013.

Directors' Report (cont.)

Financial review

Review of revenue, gross profit and net (loss)/profit after tax

	2009	2010	2011	2012	2013
Revenue ($'000)	86,843	97,927	95,288	87,427	82,930
Gross Profit ($'000)	36,386	46,558	44,388	39,084	37,440
Gross Profit %	41.9	47.6	46.6	44.7	45.1

$'000	2009	2010	2011	2012	2013
Profit/(loss) after tax attributable to owners of the parent as per consolidated statement of comprehensive income	(8,883)[1]	1,543	1,103	93	(694)

[1] Includes a non cash impairment of $6,810,000.

2013 saw a year of subdued demand for hiring and ongoing structural change in the recruitment industry in the markets in which Ambition Group operates.

Revenue fell by 5.1% from $87.4m to $82.9m with gross profit falling by 4.2% from $39.1m to $37.4m. Due to a small change in the split between temporary and permanent recruitment revenues, the gross profit margin increased slightly from 44.7% to 45.1%.

Net loss after tax was $1.4m (FY 2012: profit $0.1m) incorporating a loss in the Australian operations of $0.3m, UK operations of $0.2m and a profit in Asian operations of $0.8m, after charging $0.1m for the new offices in Kuala Lumpur and Tokyo. There was also a charge of $0.7m for redundancies, plus unallocated costs.

Operating cash flow and gearing

$'000	2009	2010	2011	2012	2013
Operating cash flow	678	4,179	1,219	(354)	(1,051)
Net cash	3,795	6,234	6,951	6,457	5,225

Cash from operating activities was an outflow of $1.1m (2012: Outflow $0.4m) largely reflecting the loss for the year. The Consolidated Group maintained a net cash position throughout the year and did not draw on its debt facilities.

Review of net assets

$'000	2009	2010	2011	2012	2013
Net assets	8,688	10,713	12,626	12,130	11,503
Net tangible assets	8,304	10,326	12,265	11,764	11,113

At 31 December 2013, Ambition Group had net assets of $11.5m (2012: $12.1m) and net tangible assets of $11.1m (2012:$11.8m). The only material movement was the effect of the loss incurred during the year.

Key Business Strategies and Risks

We have a Group-wide drive for simplicity, clarity and a crystal clear focus on results.

Significantly simplified and streamlined approach to management.

Immediately after the year end, there were some fundamental changes made to the management structure of Ambition Group. Country managing directors now report directly to the Executive Chairman, Nick Waterworth, and have greater responsibility for their respective operations with full local accountability. Short term incentives are tied to local performance and long term incentives are tied to shareholder returns.

Directors' Report (cont.)

A focus on "an inch wide, a mile deep" in all of our markets.

Ambition Group intends to continue its focus on a small number of disciplines. The objective is gaining intense market knowledge which allows true value-add advice to be provided to clients and, most importantly, knowledge of and access to the hard to find candidates who do not sit on a data base and who do not respond to online advertisements.

A drive for productivity.

Ambition Group will continue to place energies on helping each and every consultant to increase his or her revenue through a greater use of technology, on-the-job training and development, inter-office co-operation and more emphasis on candidate referrals.

Growing our Asian network.

Ambition Group recognises that significant growth prospects exist in Asia where it has been established since 2001. At the end of last year, new offices were established in Kuala Lumpur and in Tokyo. Resources will be provided to these country leaders to enable them to grow their businesses quickly but prudently to take advantage of the favourable dynamics in those markets.

Risk management.

Ambition Group is aware of the risks that face it in achieving its strategic objectives.

Recent economic and recruitment conditions in Australia in particular have highlighted that recruitment income from contracting and temporary placements is less volatile (albeit less profitable)than that from permanent placements. The Company is actively addressing this with the objective of increasing the proportion of gross profit derived from temporary and contracting placements.

The Company has also started a process of review of internal procedures and use of technology with the objective of enhancing the technological backbone of the business. There are a number of implementation risks involved in this.

Dividends paid or recommended

There was no interim dividend in the year (2012: nil) and the Directors have not declared a final dividend (2012: nil).

Share issues and grant of options

During the year 500,000 options were granted as part of the Employee Share Option scheme (2012: Nil), and 480,000 options were forfeited with a value of $145,600 (2012: 797,500 with a value of $188,300). The exercise of these options is subject to service and performance linked vesting conditions.

Financial position

The net assets of the Consolidated Group have decreased to $11,503,000 at 31 December 2013 from $12,130,000 at 31 December 2012.

Non-audit services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services provided by Deloitte Touche Tohmatsu during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Directors' Report (cont.)

The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the audit committee to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence 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 2013:

Taxation services $53,137

Auditor's independence declaration

The auditor's independence declaration for the year ended 31 December 2013 has been received in accordance with s307c of the Corporations Act 2001 and can be found on page 22, which forms part of this report.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Consolidated Group during the financial year.

Events subsequent to balance date

On 17 January 2014, Peter O'Donovan resigned his positions as Chief Financial Officer and Company Secretary. On 20th January 2014, Eric Dodd resigned from his position as Non-executive Chairman and Guy Day resigned his position as Executive Director and Chief Executive Officer. Nick Waterworth was appointed as Executive Chairman on 20 January 2014.

Future developments, prospects and business strategies

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

a. Positive contribution from each of the Consolidated Group's businesses
b. Pursuit of the Consolidated Group's policy of increasing market share and gaining greater efficiency in service delivery, with a view to continued and increasing profitability
c. Further development of the Consolidated Group's recruitment businesses

Environmental issues

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

Directors' Report (cont.)

Information on Directors

Nick Waterworth	Managing Director of Watermark Search International until appointed Executive Chairman of Ambition Group Limited on 20 January 2014.
Qualifications	Honours Degree in Economics (York University, UK)
Experience	Co-Founder of Ambition Group. Board member since inception in August 1999.
Interest in shares	13,433,477 ordinary shares.
Special responsibilities	Executive Chairman and also a member of the Human Resources & Nominations Committee.
Directorships in other listed companies	None
Cathy Doyle	Director (Non-Executive)
Qualifications	MBA from University of New England, a Degree in Social Science from Newcastle University, Post Graduate Degrees in Psychology and Vocational Education and a Graduate of the AICD. Member of the Australian Institute of Company Directors and the Australian Human Resource Institute.
Experience	Over 20 years' experience in businesses at a senior level. Currently Head of HR at BNP Paribas. Previously was Group Executive Equities, and Group Executive of People and Culture at Perpetual, and has held senior Human Resources roles at Qantas, Commonwealth Bank and NRMA.
Interest in shares	Nil ordinary shares.
Special responsibilities	Chairman of the Remuneration, Human Resources & Nominations Committee and member of the Audit Committee
Directorships in other listed companies	Previously an Executive Director Perpetual Investments Management Ltd and Chairman of Odyssey House
Paul Young	Director (Non-Executive)
Qualifications	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.
Experience	Co-Founder and Executive Director of Baron Partners Limited, with over 25 years' experience in merchant banking.
Interest in shares	3,867,418 ordinary shares.
Special responsibilities	Chairman of the Audit Committee and member of the Remuneration, Human Resources & Nominations Committee
Directorships in other listed companies	Chairman of Tidewater Investments Limited; Director of Thomas and Coffey Limited appointed 1996, retired 30/6/2013; Director of GB Energy Limited appointed 7/2/2011 resigned 25/7/2011; Director of Site Group International limited appointed 29/6/2010 resigned 1/4/2011
Eric Dodd	Chairman (Non-Executive) - appointed 18th March 2013, resigned 20 January 2014
Qualifications	Bachelor of Economics. Fellow of the Australian Institute of Company Directors and a Fellow of the Institute of Chartered Accountants.
Experience	Held senior leadership positions with companies including MBF, BUPA Australia, and NRMA. Following the merger of MBF and Bupa Australia in June 2008, Eric became the Managing Director & CEO of the combined organisation.
Guy Day	Director (Executive) - resigned on 20th January 2014
Qualifications	BA (Hons) Business Studies, Nottingham Trent University. Chartered Institute of Marketing (CIM) Diploma
Experience	Commenced recruitment career in 1995 in UK, moved to Asia in 1997 and established Ambition's Hong Kong business in 2001, subsequently adding a Singapore office in 2007. Responsibilities expanded to include UK in 2009 and Australia in 2011. Appointed to Ambition Board in May 2011.

Directors' Report (cont.)

Paul Lyons	Director (Executive) - resigned 14 May 2013
Qualifications	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.
Experience	Co-Founder of Ambition Group.

Company Secretary

Peter O'Donovan was appointed Chief Financial Officer and Company Secretary on 12 June 2013 and resigned on 17 January 2014.

Andrew Bursill was appointed as Company Secretary on 24 February 2014. Andrew is a Chartered Accountant and since 1998 has held the position of Company Secretary with numerous ASX listed, unlisted public and private companies in a range of sectors.

Meetings of Directors

	Directors' Meetings		Audit Committee		Remuneration, Human Resources & Nominations Committee	
	Held *	Attended	Held *	Attended	Held *	Attended
Eric Dodd	11	11	5	4	1	1
Cathy Doyle	13	13	6	6	2	2
Paul Young	13	13	6	6	2	2
Guy Day	13	13	2	2	-	-
Nick Waterworth	13	13	-	-	-	-
Paul Lyons	4	4	-	-	-	-

* These columns indicate the number of meetings held during the period each person listed was a Director or member of the relevant Board Committee.

Board Committee

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

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 Consolidated Group 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 made pursuant to s.298(2) of the Corporations Act 2001.

Remuneration report

The information which follows to the end of section '(h) 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 Key Management Personnel 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 executives and Executive Directors to run and manage the Consolidated Group, as well as create goal congruence between

Directors' Report (cont.)

Key Management Personnel, Senior Management and Shareholders. Only one Director is an executive at the date of this report, namely Nick Waterworth.

The Board's policy for determining the nature and amount of remuneration for Key Management Personnel and Senior Management is as follows:

i). The remuneration of Key Management Personnel and Senior Management is set by the Remuneration, Human Resources and Nominations Committee. Remuneration comprises a fixed base salary and performance incentive. The policy is subject to Board approval.

ii). Senior Management remuneration is determined by the Remuneration, Human Resources and Nominations Committee. Remuneration comprises a fixed base salary and performance incentive. Key Management Personnel are also eligible to participate in the Consolidated Group's Long Term Incentives ("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 Consolidated Group's LTI Plan, the purpose of which is to align Shareholders' and Senior Managers' objectives. The plan provides for the allocation of Ambition share rights and zero-priced options over shares to Senior Managers of the Consolidated Group at the discretion of the Board. The shares are issued via a Trustee and held in trust subject to issue on the meeting of certain service and performance hurdles as assessed by the Remuneration, Human Resources and Nominations Committee.

For the service component listed in the table below, Senior Managers must have been employed on the 31-Mar-2013 to receive 40% of the service component and must be employed on 31-Mar-2014 to receive the remaining 60%. For the performance component the total EPS for the 2012 and 2013 years must exceed 18c for full vesting, 7c for minimum vesting. The shares must vest over a period of up to five years following grant date.

The following table shows the share-based payment arrangements which are currently in existence relating to Key Management Personnel of the Ambition Group identified during the financial year:

Shares / Options	No. granted	Outstanding	Grant date [6]	Fair value at grant date	Vesting date	Expiry date	Vesting criteria [1]
Ordinary shares [2]	75,000	60,000	29-Jun-09	$0.20	31-Mar-14	N/A	Service & performance hurdles
Ordinary Shares [3]	750,000	750,000	30-Jun-10	$0.30	31-Mar-14	30-Jun-14	Performance hurdles
Zero-priced Options [4]	275,000	220,000	29-Jun-09	$0.20	31-Mar-14	N/A	Service & performance hurdles
Total [5]	1,100,000	1,030,000					

[1] Performance hurdles are set by the Executive Chairman and approved by the Remuneration Committee.

[2] Issued to Guy Day. 75,000 ordinary shares were granted to Guy Day in June 2009. During the year 15,000 of these shares vested. The value of the shares vested was $2,990.

[3] Issued to Nick Waterworth.

[4] Issued to Guy Day. 275,000 share options were granted to Guy Day in June 2010. During the year 55,000 of these share options vested. The value of the shares vested was $10,962.

Directors' Report (cont.)

[5] The vesting date of all amounts shown is 31 March 2014 and the vesting criteria is dependent on certain performance and service hurdles. All performance hurdles are linked to the 2013 financial year and will not be achieved resulting in a total of 787,500 ordinary shares not vesting and 137,500 share options lapsing. The balance of 22,500 shares and 82,500 share options are dependent on service criteria and will vest at 31 March 2014.

[6] No members of Key Management Personnel were granted additional share options or interest in shares as part of their remuneration in the financial year.

The share options outstanding at the end of the year had an exercise price of zero (2012: zero) and a weighted average remaining contractual life of 90 days (2012:346 days).

Key Management Personnel 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 $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 Key Management Personnel and Senior Management is valued at the cost to the Consolidated Group and expensed. Shares given to Key Management Personnel Senior Management are valued at the fair value on the Grant date.

b. Performance-based remuneration

The remuneration of the Key Management Personnel and Senior Management includes a performance-based component based on profit. This ensures that the interests of the Key Management Personnel and Senior Management are aligned with our Shareholders. In the case of the then Chief Executive Officer, this component was tiered based on the 2013 Consolidated Group results in comparison to the budget for the year. No payment was due as the criteria were not fulfilled. In 2013, Senior Management receive a bonus based on the performance of the divisions for which they are directly responsible. The performance-based component of the Key Management Personnel and Senior Management remuneration is recommended by the Remuneration Committee annually for approval by the Board. Performance-based remuneration of Senior Management is annually recommended to the Board by the executive Directors.

The vesting of shares and options issued to the Key Management Personnel and Senior Management, is contingent on the achievement of specified Earnings Per Share (EPS) targets for the Consolidated Group.

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

Key Management Personnel 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.

Directors' Report (cont.)

d. Discussion of the relationship between the remuneration policy and company performance

The table below shows summary information about the Consolidated Group's earnings and movements in shareholder wealth for the five years to 31 December 2013.

	2013	2012	2011	2010	2009
	$'000	$'000	$'000	$'000	$'000
Profit / (loss) before tax	(1,457)	306	1,654	2,899	(7,180)
Net profit / (loss) after tax	(1,434)	69	1,316	1,910	(7,581)
	c	c	c	c	c
Basic EPS	(2.14)	0.11	2.03	3.02	(13.07)
Diluted EPS	(2.14)	0.10	1.96	2.94	(13.07)
Dividend	-	-	-	-	-
Share Price (31 Dec)	18.00	19.00	11.00	31.00	32.50

e. Employment contracts of Key Management Personnel and Senior Management

The employment conditions of the Key Management Personnel and Senior Management are formalised in contracts of employment as determined by the Remuneration Committee, and reviewed annually for future compensation. All Senior Managers are permanent employees of Ambition Corporate Services Pty Limited, a wholly owned Consolidated Group entity responsible for the employment of all personnel. The employment contracts stipulate a range of one to nine 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 during the year was as follows:

	Short-term benefits			Post-employment benefits	Share based payment	Other benefits	
	Salary and fees	Non-cash benefits	Bonuses[6]	Super	Options & Shares	Termination payment	Total
2013	$	$	$	$	$	$	$
Directors							
Eric Dodd[1]	79,812	-	-	7,303	-	-	87,115
Cathy Doyle	51,550	-	-	4,700	-	-	56,250
Paul Young	51,550	-	-	4,700	-	-	56,250
Guy Day	425,004	15,664	-	-	(8,635)	-	432,033
Nick Waterworth	160,341	-	17,580	17,807	-	-	195,728
Paul Lyons[2]	321,257	16,321	-	15,098	-	481,445	834,121
	1,089,514	31,985	17,580	49,608	(8,635)	481,445	1,661,497
Other Key Management Personnel							
Rick Taylor[3]	121,534	-	-	10,980	(11,209)	92,609	213,914
Peter O'Donovan[3]	60,553	-	-	5,601	-	-	66,154
	1,271,601	31,985	17,580	66,189	(19,844)	574,054	1,941,565

Directors' Report (cont.)

	Short-term benefits			Post-employment benefits	Share based payment	Other benefits	
	Salary and fees	Non-cash benefits	Bonuses[6]	Super	Options and shares	Termination payment	Total
2012	$	$	$	$	$	$	$
Directors							
Nick Waterworth	124,900	13,742	20,540	12,179	(157,500)	-	13,861
Paul Lyons	385,615	23,436	-	16,122	(157,500)	-	267,673
Guy Day	397,559	-	-	-	(23,839)	-	373,720
Paul Young	55,046	-	-	4,954	-	-	60,000
Cathy Doyle[4]	36,697	-	-	3,303	-	-	40,000
Andrew Adamovich[5]	10,000	-	-	-	-	-	10,000
	1,009,817	37,178	20,540	36,558	(338,839)	-	765,254
Other Key Management Personnel							
Rick Taylor	209,051	-	-	16,122	(9,384)	-	215,789
	1,218,868	37,178	20,540	52,680	(348,223)	-	981,043

[1] Eric Dodd was appointed as chairman of the Board on 18 March 2013 and resigned on 20 January 2014.
[2] Paul Lyons resigned from the Board on 14 May 2013.
[3] Rick Taylor resigned as company secretary on 12 June 2013 and Peter O'Donovan was appointed as company secretary on this date. Peter O'Donovan resigned on 17 January 2014.
[4] Cathy Doyle was appointed to the Board on 1 May 2012.
[5] Andrew Adamovich resigned from the Board on 1 May 2012.
[6] This is the annual short term incentive based on criteria set on the 1 January each year and vesting on the results for the year to 31 December each year.

Aside from the Directors, there was only one Key Management Person of the Consolidated Group. No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position. No Key Management Person received any remuneration outside of the amounts disclosed in the table above.

Remuneration Options

There were no options granted as remuneration to Directors or Key Management Personnel during the financial year.

Shareholdings

Number of shares held directly, indirectly or beneficially by parent entity Directors and Key Management Personnel at the date of this report:

	Fully paid ordinary shares	Share options
	Number	Number
Directors		
Nick Waterworth	13,433,477	750,000
Paul Young	3,867,418	-

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

Directors' Report (cont.)

g. Shareholders vote

At the most recent Annual General Meeting (AGM), shareholders voted against the Remuneration Report. In response to this and in order to gain a better understanding of the concerns of shareholders a survey was sent to shareholders who collectively held 90% of Ambition group shares. The following actions have been completed since the AGM:

- The Board includes two non executive Directors and one Executive Director.
- The remit of the Remuneration Committee has been expanded to cover Remuneration, Human Resources and Nominations. This is chaired by Non-Executive director Cathy Doyle and consists of the other non-executive director Paul Young.
- Executive management contracts and remuneration have been reviewed and individual measures taken to address fixed pay structures and short term pay incentives.
- The board has also initiated a strategic programme to position the business for sustainable, profitable growth.

h. Remuneration consultant

During the year Ian Crichton of CRA Plan Managers Pty Limited made an independent recommendation on the remuneration for senior executives at the request of the Remuneration Committee. For this reason the board is satisfied that the remuneration recommendation was made free from undue influence by the members of the key management personnel to whom the recommendation relates. CRA received $3,756 for the provision of this service.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the Corporations Act 2001.

Nick Waterworth
Executive Chairman, Ambition Group

Auditor's Independence Declaration

Deloitte.

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

28 February 2014

Dear Directors

Ambition Group Limited

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

As lead audit partner for the audit of the financial statements of Ambition Group Limited for the financial year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss

for the year ended 31 December 2013

		Consolidated Group	
		2013	2012
Continuing Operations	Note	$'000	$'000
Revenue	2	82,930	87,427
On-hired labour costs		(45,490)	(48,343)
Gross Profit		37,440	39,084
Investment Income		73	135
Employee benefits expense	3	(27,528)	(27,234)
Indirect employment costs		(1,142)	(1,543)
Payroll tax		(901)	(831)
Depreciation and amortisation expense	3	(916)	(1,036)
Advertising & marketing		(1,353)	(1,581)
Computer expenses		(826)	(697)
Rental expense on operating leases	3	(2,674)	(2,511)
Other expenses	3	(3,630)	(3,480)
(Loss) / Profit before tax		(1,457)	306
Income tax benefit / (expense)	5	23	(237)
(Loss) / Profit for the year from continuing activities		(1,434)	69
Attributable to:			
Owners of the parent		(1,413)	69
Non-controlling interests		(21)	-
		(1,434)	69
(Loss) / Earnings per share			
Basic (cents per share)	8	(2.14)	0.11
Diluted (cents per share)	8	(2.14)	0.10

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2013

	Consolidated Group	
	2013	2012
Continuing Activities	$'000	$'000
(Loss) / Profit for the year	(1,434)	69
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translation of foreign operations	740	24
Total comprehensive income for the year	(694)	93
Total comprehensive income attributable to:		
Owners of the Parent	(673)	93
Non-controlling interests	(21)	-
	(694)	93

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

Consolidated Statement of Financial Position

for the year ended 31 December 2013

		Consolidated Group	
		2013	2012
	Note	$'000	$'000
Current assets			
Cash and cash equivalents	9	5,225	6,457
Trade and other receivables	11	11,350	10,616
Other current assets	10	357	349
Current tax assets	14	31	377
Total current assets		16,963	17,799
Non-current assets			
Property, plant and equipment	12	1,153	926
Intangible assets	13	390	366
Deferred tax assets	14	912	882
Total non-current assets		2,455	2,174
Total assets		19,418	19,973
Current liabilities			
Trade and other payables	15	5,910	5,970
Current tax liabilities	14	-	-
Provisions	16	1,057	1,371
Total current liabilities		6,967	7,341
Non-current liabilities			
Provisions	16	948	502
Total non-current liabilities		948	502
Total liabilities		7,915	7,843
Net assets		11,503	12,130
Equity			
Issued capital	18	47,657	47,564
Retained losses	19	(32,742)	(31,329)
Reserves	20	(3,474)	(4,105)
Non controlling interest	21	62	-
Total equity		11,503	12,130

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

Consolidated Statement of Changes in Equity

for the year ended 31 December 2013

Consolidated Group	Issued capital $'000	Accum. losses $'000	Foreign currency translation reserve $'000	Equity settled emp. benefits reserve $'000	Attrib. to owners of the parent $'000	Non controlling Interest $'000	Total $'000
Balance as at 1 January 2012	47,553	(31,398)	(4,306)	777	12,626	-	12,626
Profit for the year	-	69	-	-	69	-	69
Other comprehensive income for the year	-	-	24	-	24	-	24
Total comprehensive income for the year	-	69	24	-	93	-	93
Recognition of share based payments	-	-	-	(594)	(594)	-	(594)
Shares issued under employee share plans	-	-	-	5	5	-	5
Vesting of employee share scheme	11	-	-	(11)	-	-	-
Balance as at 31 December 2012	47,564	(31,329)	(4,282)	177	12,130	-	12,130
Balance as at 1 January 2013	47,564	(31,329)	(4,282)	177	12,130	-	12,130
Loss for the year	-	(1,413)	-	-	(1,413)	(21)	(1,434)
Other comprehensive income for the year	-	-	740	-	740	-	740
Total comprehensive income for the year	-	(1,413)	740	-	(673)	(21)	(694)
Additional Non controlling interest	-	-	-	-	-	83	83
Recognition of share based payments	-	-	-	(21)	(21)	-	(21)
Shares issued under employee share plans	-	-	-	5	5	-	5
Vesting of employee share scheme	93	-	-	(93)	-	-	-
Balance as at 31 December 2013	47,657	(32,742)	(3,542)	68	11,441	62	11,503

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

Consolidated Statement of Cash Flows

for the year ended 31 December 2013

		Consolidated Group	
		2013	2012
	Note	$'000	$'000
Cash flows from operating activities			
Receipts from customers		91,670	98,497
Payments to suppliers and employees		(93,039)	(98,564)
Cash (used in) operations		(1,369)	(67)
Income tax refunded / (paid)		318	(287)
Interest and other costs of finance paid		-	-
Net cash (used in) operating activities	22	(1,051)	(354)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		(578)	(36)
Payments to acquire intangible assets		(301)	(254)
Interest received		73	135
Net cash (used in) investing activities		(806)	(155)
Cash flows from financing activities			
Payment for share issue costs		-	-
Proceeds from issue of equity securities		-	-
Dividends paid		-	-
Net cash (used in) financing activities		-	-
Net (decrease) in cash and cash equivalents		(1,857)	(509)
Cash and cash equivalents at the beginning of the year	9	6,457	6,951
Effect of exchange rates on cash holdings in foreign currencies		625	15
Cash and cash equivalents at the end of the financial year	9	5,225	6,457

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

Notes to the Financial Statements

for the year ended 31 December 2013

1. Significant Accounting Policies

a. Basis of preparation

For the purposes of preparing the Consolidated financial statements, the Company is a for-profit entity.

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 and Interpretations 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. 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 28th February 2014.

b. Principles of consolidation

A controlled entity is any entity controlled by Ambition Group Limited. Ambition Group Limited controls an investee when Ambition Group Limited is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee 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.

All controlled entities have a December financial year end.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Consolidated Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

1. Significant Accounting Policies (cont.)

c. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Consolidated Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

d. 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. Revenue is recognised at the fair value of the consideration received or receivable.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

1. Significant Accounting Policies (cont.)

Retained permanent recruitment revenue is recognised in three stages – upon commencement of an assignment where a job description is given by the client to Ambition, at the short-list stage where a list of appropriate candidates is given by Ambition to the client and upon the completion of the recruitment process where a candidate has accepted the proposed job offer.

Contingent permanent recruitment revenue is recognised upon candidate's acceptance of a permanent position.

Contracting revenue is recognised when the services are provided.

Interest revenue is recognised using the effective interest rate method.

Dividend revenue is recognised when dividends are declared.

e. Plant and equipment

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

f. Depreciation

The depreciable amount of all property, plant and equipment 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	Lifetime of lease
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 reporting 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 consolidated statement of profit or loss.

g. Leases

Leases of plant, property and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to entities in the Consolidated Group, are classified as finance leases.

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

Leased assets are depreciated on a straight-line basis over 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 expensed on a straight-line basis over the life of the lease term.

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

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

1. Significant Accounting Policies (cont.)

h. Financial instruments

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

i. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

ii. Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Consolidated Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

iii. Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

iv. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Consolidated Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables. For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

v. Derecognition of financial assets

The Consolidated Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

1. Significant Accounting Policies (cont.)

of the asset to another entity. If the Consolidated Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Consolidated Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Consolidated Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Consolidated Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

vi. Financial liabilities and equity instruments issued by the Group

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Consolidated Group derecognises financial liabilities when, and only when, the Consolidated Group's obligations are discharged, cancelled or they expire.

i. Impairment of Assets

At each reporting date, the Consolidated 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 profit or loss.

j. Intangibles

i. Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Consolidated Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Consolidated Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

1. Significant Accounting Policies (cont.)

for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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 website are capitalised as an intangible asset. The asset has a definite life and is carried at cost less accumulated amortisation and any impairment losses. Website development costs are amortised over their useful life of no more than three years.

k. Foreign currency transactions and balances

i. Functional and presentation currency

The functional currency of each of the Consolidated Group's entities is measured using the currency of the primary economic environment in which it 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 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 consolidated statement of profit or loss, except where deferred in other comprehensive income as a qualifying cash flow or net investment hedge.

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

iii. Consolidated Group companies

The financial results and position of foreign operations whose functional currency is different from the Consolidated Group's 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 Consolidated Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss in the period in which the operation is disposed.

l. Employee benefits

Provision is made for the Consolidated Group's liability for employee benefits arising from services rendered by employees to reporting date. Short-term employee benefits have been measured at the amounts expected to be settled wholly within twelve months after the end of the period. Long-term employee benefits 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.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

1. Significant Accounting Policies (cont.)

m. Provisions

Provisions are recognised when the Consolidated 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. Onerous leases are recognised when the economic benefits derived from the lease are lower than the related unavoidable lease expense.

n. 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 consolidated statement of financial position.

o. 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 consolidated statement of financial position are shown inclusive of GST.

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

p. Share based payments

The Consolidated 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 Consolidated Group, will ultimately vest. This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

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

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

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

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

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

1. Significant Accounting Policies (cont.)

q. Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they relate to qualifying assets, in which case they are capitalised.

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 Consolidated Group. Further detail is given below of the main areas of accounting estimates and judgements.

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 Consolidated Group assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Group that may lead to an impairment of assets such as current economic conditions and uncertainty over future cash flows. 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.

iv. *Provision for Make Good*

A provision is made for the expected cost to restore the leased property to its original condition. The provision is based on a best estimate advised by the external property advisor or a pre agreed contracted amount.

v. *Control*

Note 17 describes that Ambition Group Malaysia Sdn Bhd is a subsidiary of the Consolidated Group although the Consolidated Group only owns a 49% ownership interest in Ambition Group Malaysia Sdn Bhd. Based on the contractual arrangements between the Consolidated Group and other investors, the Consolidated Group has the power to appoint and remove the majority of the board of directors of Ambition Group Malaysia Sdn Bhd that has the power to direct the relevant activities of Ambition Group Malaysia Sdn Bhd. Therefore, the directors of the Company concluded that the Consolidated Group has the practical ability to direct the relevant activities of Ambition Group Malaysia Sdn Bhd unilaterally and hence the Consolidated Group has control over Ambition Group Malaysia Sdn Bhd.

s. Adoption of new Accounting Standards

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

Where necessary, information for the previous period has been represented to conform to changes in presentation in the current financial year. New and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities', AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

1. Significant Accounting Policies (cont.)

- AASB 127 'Separate Financial Statements' (2011), AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and related AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011), AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119' (2011) and AASB 2011-11 'Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements'
- AASB 2011-9 'Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
- AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures'
- AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039'
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)

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

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but only effective for annual reporting periods beginning on the 1st July 2013 and therefore expected to be initially applied in the financial year ending 31 December 2014.

- AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements'
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'
- AASB 2011-6 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements'

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but only effective for annual reporting periods beginning on the 1st January 2014, and therefore expected to be initially applied in the financial year ending 31 December 2014.

- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 132)'
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- ASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities'

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but only effective for annual reporting periods beginning on the 1st January 2017, and therefore expected to be initially applied in the financial year ending 31 December 2017.

- AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures' and AASB 2013-9

The potential impact of the initial application of the above Standards has not yet been determined.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

2. Revenue

	Consolidated Group 2013 $'000	Consolidated Group 2012 $'000
Recruitment services revenue	82,930	87,427
Total revenue	82,930	87,427

3. Profit from ordinary activities

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

	Consolidated Group 2013 $'000	Consolidated Group 2012 $'000
Employee benefits expense		
▪ Termination benefits	741	-
▪ Equity settled share based payments	(21)	(629)
▪ Other employee benefits	26,808	27,863
	27,528	27,234
Depreciation of plant and equipment	631	804
Amortisation of software and web development	285	232
	916	1,036
Rental expense on operating leases		
▪ minimum lease payments	2,674	2,511
Other expenses		
▪ property	768	548
▪ professional fees	1,181	715
▪ travel	480	604
▪ entertainment	576	624
▪ telephone	298	372
▪ bad and doubtful debt provision	(132)	-
▪ other	459	617
	3,630	3,480

4. Dividends

The Directors have not declared a final dividend.

	Consolidated Group 2013 $'000	Consolidated Group 2012 $'000
Adjusted franking account balance	2,110	2,427

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

5. Income tax expense

	Consolidated Group 2013 $'000	Consolidated Group 2012 $'000
a. The components of tax expense comprise:		
Current tax	(41)	247
Deferred tax	11	(64)
Under provision in respect of prior years	7	54
Income tax (benefit) / expense	(23)	237
b. The prima facie tax on the profit before income tax is reconciled to income tax expense as follows:		
(Loss) / Profit before tax from continuing activities	(1,457)	306
Income tax calculated at 30% (2012: 30%)	(437)	92
Add / (Less) tax effect of:		
▪ other non deductible expenses	59	(4)
▪ tax assets not brought to account	268	106
▪ overseas tax differential	80	6
▪ utilisation of brought forward tax losses	-	(17)
▪ under provision in prior period	7	54
Income tax (benefit) / expense recognised in profit or loss	(23)	237
Applicable weighted average effective tax rates	2%	77%

Tax consolidation

a) Relevance of tax consolidation to the Group

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Ambition Group Limited. The members of the tax-consolidated group are identified in Note 17. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the Consolidated Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

5. Income tax expense (cont.)

b) Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Ambition Group Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

6. Employee share plans

The Consolidated Group has an ownership-based compensation scheme for executives and senior employees. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees with more than five years service with the Consolidated Group may be granted options to purchase ordinary shares at an exercise price of nil per ordinary share. Each employee share option converts into one ordinary share of Ambition Group Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry. The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at a previous annual general meeting and is subject to approval by the Remuneration Committee. The formula rewards executives and senior employees to the extent of the Consolidated Group's and the individual's achievement judged against both length of service and EPS performance.

The following table shows the share-based payment arrangements which were in existence during the current and prior years:

Shares / Options	No. granted	Grant date	Fair value at grant date	Vesting date	Expiry date	Vesting criteria[1]
Ordinary Shares[2]	212,770	29-Jun-09	$0.20	31-Mar-14	N/A	Service & performance hurdles
Zero-priced Options[3]	900,000	29-Jun-09	$0.20	31-Mar-14	30-Jun-14	Service & performance hurdles
Zero-priced Options	250,000	31-Mar-10	$0.37	1-Apr-14	30-Jun-14	Service & performance hurdles
Ordinary Shares[4]	1,500,000	30-Jun-10	$0.30	31-Mar-14	N/A	Performance hurdles
Zero-priced Options	375,000	11-Apr-11	$0.29	31-Mar-14	30-Jun-14	Service & performance hurdles
Zero-priced Options	100,000	28-Nov-11	$0.17	31-Mar-14	30-Jun-14	Service & performance hurdles
Zero-priced Options[5]	166,668	9-Dec-13	$0.18	31-Mar-15	30-Apr-15	Service & performance hurdles
Zero-priced Options[5]	166,666	9-Dec-13	$0.18	31-Mar-16	30-Apr-16	Service & performance hurdles
Zero-priced Options[5]	166,666	9-Dec-13	$0.18	31-Mar-17	30-Apr-17	Service & performance hurdles
Total	3,837,770					

[1] Performance hurdles are approved by the Remuneration Committee.

[2] Shares were issued to former Key Management Personnel (137,770 to Rick Taylor and 75,000 to Guy Day).

[3] 275,000 of these zero-priced options were issued to former Key Management Personnel (Guy Day).

[4] All of these shares were issued to former and current Key Management Personnel (750,000 each to Paul Lyons and Nick Waterworth).

[5] 500,000 share options were granted during the financial year (Note 6d).

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

6. Employee share plans (cont.)

At the date of this report there are currently 1,320,000 share options outstanding and 810,000 shares which have yet to vest. The vesting criteria for all amounts above is dependent on certain performance and service hurdles. The vesting of 787,500 shares is entirely dependent on performance hurdles linked to the 2013 financial year results. The hurdles will not be achieved and so the entitlements will lapse at 31 March 2014. The remaining 22,500 shares are dependent on service criteria which will be achieved and will therefore vest at 31 March 2014. Of the 1,320,000 share options, 500,000 were issued in December 2013 and will vest over a three year period commencing in March 2015 dependent on certain service and performance criteria. The remaining 820,000 options have a vesting date of 31 March 2014 and 307,500 of these will vest due to service criteria being achieved and 512,500 will lapse due to performance criteria not being achieved.

The share options outstanding at the end of the year had an exercise price of zero (2012: zero) and a weighted average remaining contractual life of 185 days (2012:455 days).

The Group has established share trusts to manage and hold both vested and unvested shares and options on behalf of current employees. Some current employees choose to retain their vested shares in the trust.

a) Sharesave Plans

The "Exempt Sharesave Plan" was open to all employees and enabled the purchase of shares up to a maximum of $1,000 in any one year. Shares were acquired at market rates. Shares cannot be sold for a period of three years. 5 employees (2012: five) participated in the plan during the financial year. There were nil (2012: 104,576) partially vested shares held by the trust relating to this Exempt Sharesave Plan at 31 December 2013 as the plan was wound up during the year. All vested shares were subsequently transferred from the Trust to the Share Register under each employee's name.

b) 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 five years, subject to the meeting of, service and performance criteria.

An employee's full entitlement to shares is issued on acceptance of the Consolidated Group's offer and held by the Trustee subject to the meeting of vesting conditions. Unvested shares are disclosed as Treasury Shares (Note 18) 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.

	Consolidated Group	
	2013	2012
	No. '000	No. '000
LTI shares held by the trust at the start of the year	1,727	2,522
Issued during the year	-	-
Transferred during the year	(425)	(795)
Sold during the year	-	-
LTI shares held by the trust at the end of the year	1,302	1,727
LTI shares held by the trust that are fully vested and already included in share capital	1,002	1,045
LTI shares held by the trust that are unvested and included in the Equity Settled Employee Benefits Reserve	300	682
LTI shares held by the trust at the end of the year	1,302	1,727

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

6. Employee share plans (cont.)

c) Loan Share Plan

The Loan Share Plan ("LSP") 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 Consolidated Group's offer and held by the Trustee subject to the meeting of vesting conditions. Unvested shares are disclosed as Treasury Shares (Note 18) 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.

	Consolidated Group	
	2013	2012
	No. '000	No. '000
LSP shares held by the trust at the start of the year	2,072	2,812
Issued during the year	-	-
Transferred during the year	(52)	(740)
Forfeited during the year	(750)	-
LSP shares held by the trust at the end of the year	1,270	2,072
LSP shares held by the trust that are fully vested and already included in share capital	520	572
LSP shares held by the trust that are unvested and included in the Equity Settled Employee Benefits Reserve	750	1,500
LSP shares held by the trust at the end of the year	1,270	2,072

d) 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.

Fair value of share options granted during the year

The fair value of the options granted during the year was $0.18 . This was calculated using a Binomial pricing model applying the following inputs:

	9th December 2013
Exercise price	$0.00
Underlying share price	$0.18

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.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

6. Employee share plans (cont.)

Movements in share options during the year

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

	Consolidated Group	
	2013	2012
	No. '000	No. '000
Balance at the beginning of the year	1,625	2,423
Granted during the year	500	-
Exercised during the year	(325)	-
Forfeited during the year	(480)	(798)
Balance at the end of the year	1,320	1,625
Total number issued to employees since start	6,115	5,615
Total number cancelled or exercised by employees since start	4,795	3,990
Net options	1,320	1,625

Share options outstanding at the end of the year

The share options outstanding at the end of the year had an exercise price of zero (2012: zero) and a weighted average remaining contractual life of 185 days (2012:346 days).

e) Summary

A summary of the various unvested shares and options plans that may become fully paid ordinary shares in the future is as follows:

	Consolidated Group	
	2013	2012
	No. '000	No. '000
Long Term Incentive Plan shares	300	682
Loan Share Plan shares	750	1,500
Share Option Plan	1,320	1,625

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

7. Auditor's remuneration

	Consolidated Group	
	2013	2012
	$'000	$'000
Remuneration of the auditor of the Consolidated Group for:		
Auditor of the parent entity		
▪ Audit or review of the financial statements	173,891	125,451
▪ Taxation services	28,105	23,591
	201,996	149,042
Network firm of the parent entity		
▪ Audit or review of the financial statements	122,317	83,634
▪ Taxation services	25,032	15,892
	147,349	99,526

The auditor of Ambition Group Limited is Deloitte Touche Tohmatsu

8. Earnings per share ('EPS')

	Consolidated Group	
	2013	2012
Basic (loss) / earnings per share (cents per share)	(2.14)	0.11
Diluted earnings per share (cents per share)[1]	(2.14)	0.10
(Loss) / Profit used in calculation of basic EPS ($)	(1,412,973)	68,914
(Loss) / Profit used in calculation of dilutive EPS ($)	(1,412,973)	68,914
Net tangible asset backing per ordinary share	0.17	0.18

[1] At 31 December 2013, options are deemed anti-dilutive; hence diluted EPS remained a loss of 2.14 cents per share.

	Number	Number
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	66,121,331	64,884,201
Weighted average number of options outstanding	737,555	1,231,705
Weighted average number of ordinary shares outstanding during the period used in the calculation of dilutive EPS	66,858,886	66,115,906

1,049,623 (2012: 2,182,177) Treasury shares relating to long term incentive plans for Key Management Personnel and Senior Management have not been included in the above Earnings per share calculations in accordance with AASB 133 'Earnings per Share'.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

9. Cash

	Consolidated Group	
	2013	2012
	$'000	$'000
Cash at bank	5,225	6,457

10. Other assets

	Consolidated Group	
	2013	2012
Current	$'000	$'000
Prepayments	357	349

11. Receivables

	Consolidated Group	
	2013	2012
Current	$'000	$'000
Trade debtors	9,197	9,249
Provision for impairment	(297)	(429)
Other debtors	2,450	1,796
	11,350	10,616

All amounts receivable are short term. The carrying amount of trade debtors is considered a reasonable approximation of fair value. All of the Consolidated 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 $297,000 (2012: $429,000) has been recorded. Allowances for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The trade receivables provided for are mostly due to customers experiencing financial difficulties and problems associated with the current economic climate. Before accepting any new customer, the Consolidated Group uses an external credit analysis to assess the potential customer's credit quality. If the Group have not dealt with a customer for a period of 12 months or more a further analysis will be performed to confirm the customer's credit worthiness.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

11. Receivables (cont.)

The age of financial assets including those provided for are as follows:

	Consolidated Group	
	2013	2012
	$'000	$'000
Trade debtors - amounts within terms		
Current or not more than 3 months	8,391	8,625
Trade debtors - past due		
More than 3 months but not more than 6 months	806	581
More than 6 months but not more than 1 year	-	42
More than 1 year	-	1
	9,197	9,249
Average Days Sales Outstanding (Days)	37.2	35.3
Movement in the allowance for doubtful debts:		
Balance at beginning of the year	429	323
(Decrease) / Increase in allowance	(26)	106
Impairment losses recognised	89	-
Amounts written off during the year as uncollectible	(53)	-
Impairment losses reversed	(142)	-
Balance at end of the year	297	429
Age of impaired trade receivables:		
30-90 days	69	15
60-90 days	6	10
90-120 days	-	28
120+ days	-	51
Total	75	104

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

12. Property, plant and equipment

	Consolidated Group 2013	Consolidated Group 2012
	$'000	$'000
Carrying amounts of:		
Leasehold improvements	956	810
Office equipment	23	55
Furniture and fittings	20	25
Computer hardware	154	36
	1,153	926

Cost	Leasehold improvements	Office equipment	Furniture and fittings	Computer hardware	Total
Consolidated Group	$'000	$'000	$'000	$'000	$'000
Balance at 1 Jan 2012	3,349	434	448	1,319	5,550
Additions	28	6	-	2	36
Disposals	-	-	-	-	-
Transfer of make good asset	547	-	-	-	547
Effect of foreign currency exchange differences	23	3	-	9	35
Balance at 31 Dec 2012	3,947	443	448	1,330	6,168
Additions	675	13	8	91	787
Impairment	(70)	(19)	(26)	(4)	(119)
Effect of foreign currency exchange differences	285	23	31	211	550
Balance at 31 Dec 2013	4,837	460	461	1,628	7,386

Accumulated depreciation and impairment	Leasehold improvements	Office equipment	Furniture and fittings	Computer hardware	Total
Consolidated Group	$'000	$'000	$'000	$'000	$'000
Balance at 1 Jan 2012	(2,204)	(321)	(382)	(1,212)	(4,119)
Eliminated on disposals of assets	-	-	-	-	-
Depreciation expense	(619)	(65)	(42)	(78)	(804)
Transfer of make good asset	(297)	-	-	-	(297)
Effect of foreign currency exchange differences	(17)	(2)	1	(4)	(22)
Balance at 31 Dec 2012	(3,137)	(388)	(423)	(1,294)	(5,242)
Eliminated on impairment of assets	70	4	12	3	89
Depreciation expense	(485)	(33)	(15)	(98)	(631)
Effect of foreign currency exchange differences	(329)	(20)	(15)	(85)	(449)
Balance at 31 Dec 2013	(3,881)	(437)	(441)	(1,474)	(6,233)

During the prior year, in order to provide more clarity in the accounts, make good assets associated with the end of lease clauses in property leases were transferred from other debtors to leasehold improvements.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

13. Intangible assets

	Consolidated Group	
	2013	2012
	$'000	$'000
Carrying amounts of:		
Computer software	259	237
Web development	131	129
	390	366

Cost	Software	Web Development	Total
Consolidated Group	$'000	$'000	$'000
Balance at 1 Jan 2012	1,511	704	2,215
Additions	148	106	254
Disposals	-	-	-
Effect of foreign currency exchange differences	3	-	3
Balance at 31 Dec 2012	1,662	810	2,472
Additions	218	83	301
Impairment	(32)	-	(32)
Effect of foreign currency exchange differences	95	(27)	68
Balance at 31 Dec 2013	1,943	866	2,809

Accumulated amortisation and impairment	Software	Web Development	Total
Consolidated Group	$'000	$'000	$'000
Balance at 1 Jan 2012	(1,190)	(664)	(1,854)
Eliminated on disposals of assets	-	-	-
Impairment loss recognised in profit or loss	-	-	-
Amortisation expense	(215)	(17)	(232)
Effect of foreign currency exchange differences	(20)	-	(20)
Balance at 31 Dec 2012	(1,425)	(681)	(2,106)
Eliminated on impairment of assets	24	-	24
Amortisation expense	(238)	(47)	(285)
Effect of foreign currency exchange differences	(45)	(7)	(52)
Balance at 31 Dec 2013	(1,684)	(735)	(2,419)

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

14. Tax

	Consolidated Group 2013 $'000	Consolidated Group 2012 $'000
a. Liabilities		
Current		
Income tax payable	-	-
Non-current		
Deferred tax liability	-	-
b. Assets		
Current		
Income tax receivable	31	377
Non-current		
Deferred tax assets comprise:		
▪ Provisions	812	882
▪ Share based payments	9	-
▪ Current year tax losses	91	-
	912	882
c. Reconciliations of deferred tax		
i. Gross movements		
Opening balance	882	1,126
Reclassified to current tax liabilities	-	(243)
Prior year tax under provision	30	(65)
Current year tax losses	91	-
(Charged) / released to income statement	(91)	64
Closing balance	912	882
ii. Deferred tax liability		
The movements in deferred tax liability for each temporary difference during the year are as follows:		
Opening balance	-	71
Prior year tax over provision	-	-
Offset against Deferred tax asset in the same tax jurisdiction	-	(71)
Closing balance	-	-
iii. Deferred tax asset		
The movements in deferred tax asset for each temporary difference during the year are as follows:		
Opening balance	882	1,197
Reclassified to current tax liabilities	-	(243)
Prior year tax under provision	30	(65)
(Charged) / released to income statement	(91)	64
Offset against Deferred tax liability in the same tax jurisdiction	-	(71)
Recognition of current year tax loss	91	-
Closing balance	912	882
d. Unrecognised deferred tax assets		
Deferred tax assets not recognised at the reporting date:		
▪ Tax losses	3,819	2,659

The unrecognised tax losses will not expire.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

15. Trade and other payables

	Consolidated Group	
	2013	2012
	$'000	$'000
Current		
Trade and other payables	5,910	5,970
	5,910	5,970

16. Provisions

	Consolidated Group	
	2013	2012
	$'000	$'000
Employee benefits (a)	769	1,006
Provision for onerous contracts (b)	300	235
Make good provision (c)	587	632
Lease Incentive (d)	310	-
Other	39	-
	2,005	1,873
Current		
Employee benefits	625	933
Provision for onerous contracts	109	137
Make good provision	109	301
Lease Incentive	175	-
Other	39	-
	1,057	1,371
Non-current		
Employee benefits	144	73
Provision for onerous contracts	191	98
Make good provision	478	331
Lease Incentive	135	-
	948	502

	Employee benefits	Onerous contracts	Make good provision	Lease Incentive	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated Group	(a)	(b)	(c)	(d)		
Balance at 1 January 2013	1,006	235	632	-	-	1,873
Additional provisions recognised	-	148	166	318	39	671
Reductions arising from payments / other sacrifices of future economic benefits	(237)	(83)	(65)	-	-	(385)
Reductions arising from re-measurement or settlement without cost	-	-	(137)	(8)	-	(145)
Unwinding of discount and effect of changes in the discount rate	-	-	(48)	-	-	(48)
Other	-	-	39	-	-	39
Balance at 31 December 2013	769	300	587	310	39	2,005

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

16. Provisions (cont.)

a. The provision for employee benefits represents annual leave and vested long service leave entitlements accrued and compensation claims made by employees. 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.

b. The provision for onerous lease contracts represents the present value of the future lease payments that the Consolidated Group is presently obligated to make under non-cancellable onerous operating lease contracts for office premises, less revenue expected to be earned on the lease, including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable. The economic outflow will occur over the next 4 years. The office premises will not be used by the Consolidated Group and therefore the economic outflow exceeds the economic benefit of the lease contracts.

c. A Make Good provision is made for the expected cost to restore leased property to its original condition. The provision is based on a best estimate advised by an external property advisor or a pre-agreed contract amount.

d. During the financial year the Consolidated Group successfully negotiated a number of new leases where the requirement to make good on the previous lease was waived by the lessor. The removal of Make Good requirements that resulted has been treated as a lease incentive in each case and will be treated as a reduction of the rental expense over the lease term, on a straight-line basis.

17. Controlled entities

	Country of Incorporation	Parent Entity Interest % 2013	Parent Entity Interest % 2012
		$'000	$'000
Parent Entity			
Ambition Group Limited[1]	Australia	–	–
Controlled Entity			
Ambition Corporate Services Pty Limited[2]	Australia	100	100
Ambition Recruit Pty Limited[2]	Australia	100	100
Contracting Employment Services Pty Limited[2]	Australia	100	100
McGinty Recruitment Pty Limited[2]	Australia	100	100
People with Ability Pty Limited[2]	Australia	100	100
Watermark Search International Pty Limited[2]	Australia	100	100
Ambition Employee Share Managers Pty Limited[3]	Australia	50	50
Ambition Employee Share Managers Pty Limited as trustee for[3]			
▪ Ambition Group Deferred Employee Share Plan	Australia	50	50
▪ Ambition Group Exempt Employee Share Plan	Australia	50	50
▪ Ambition Loan Plan	Australia	50	50
▪ Ambition Overseas Employees Share Plan	Australia	50	50
Ambition Europe Limited	UK	100	100
The Ambition Group Limited	UK	100	100
The Ambition Group Limited	Hong Kong	100	100
Ambition Group Singapore PTE Limited	Singapore	100	100
Ambition Group Malaysia Sdn Bhd[4]	Malaysia	49	-
Ambition Group Japan K.K.[5]	Japan	100	-

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

17. Controlled entities (cont.)

[1] Ambition Group Limited is the head entity within the tax-consolidated group.

[2] These companies are members of the tax-consolidated group.

[3] The Consolidated Group has considered the concept of control in AASB 10 and have assessed that they have control over its subsidiaries.

[4] Ambition Group Malaysia Sdn Bhd was incorporated on 20 September 2013. The Consolidated Group owns 49% equity shares of Ambition Group Malaysia Sdn Bhd.

[5] Ambition Group Japan K.K was incorporated on 12 September 2013 and is 100% owned by the Parent Entity.

18. Contributed equity

a. Ordinary shares

	Consolidated Group	
	2013	2012
	$'000	$'000
Issued capital		
67,170,954 fully paid ordinary shares (2012: 67,170,954)	47,657	47,564

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.

During the year $93,005 of treasury shares fulfilled their vesting requirements and were transferred to share capital (2012: $11,075).

Approval for the issue of securities under the Deferred Employee Share Plan ("DESP") was obtained under ASX Listing Rule 10.1.4.

b. Options

At 31 December 2013, Key Management Personnel and Senior Management held options over 1,320,000 ordinary shares of the Company (2012: 1,625,000). Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in Note 6.

	Consolidated Group	
	2013	2012
	No. '000	No. '000
Balance at the beginning of the year	1,625	2,423
Options issued during the year	500	-
Options exercised during the year	(325)	-
Options forfeited during the year	(480)	(798)
Balance at reporting date	1,320	1,625

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

18. Contributed equity (cont.)

c. Treasury shares

	Consolidated Group	
	2013	2012
	No. '000	No. '000
Balance at the beginning of the year	2,182	2,315
Issued during the year	-	-
Forfeited during the year	(750)	-
Vested during the year	(382)	(133)
Balance at reporting date	1,050	2,182

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 2013, no interim dividend was paid and the Directors have not declared a final dividend.

	Consolidated Group	
	2013	2012
	$'000	$'000
Total borrowings	-	-
Total equity	11,503	12,130
Total capital	11,503	12,130
Gearing ratio	0%	0%

The Consolidated Group is not subject to any externally imposed capital requirements.

19. Retained losses

	Consolidated Group	
	2013	2012
	$'000	$'000
Balance at 1 January	(31,329)	(31,398)
(Loss) / profit attributable to owners of the Company	(1,413)	69
Balance at 31 December	(32,742)	(31,329)

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

20. Reserves

	Consolidated Group	
	2013	2012
	$'000	$'000
Foreign currency translation (a)	(3,542)	(4,282)
Equity settled employee benefits (b)	68	177
	(3,474)	(4,105)

a. Foreign currency translation		
Balance at 1 January	(4,282)	(4,306)
Revaluation of foreign subsidiary assets and liabilities	740	24
Balance at 31 December	(3,542)	(4,282)

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

b. Equity settled employee benefits		
Balance at 1 January	177	777
Release of share based payments	(21)	(594)
Shares issued under employee share plans	5	5
Vesting of employee share scheme	(93)	(11)
Balance at 31 December	68	177

Equity settled employee benefits reserve is used to record share plan benefit expenses for unvested employee share schemes.

21. Non controlling interests

	Consolidated Group	
	2013	2012
	$'000	$'000
Balance at 1 January	-	-
Non controlling interest arising on Ambition Group Malaysia Sdn Bhd (Note 17)	83	-
Share of loss for the year	(21)	-
Balance at 31 December	62	-

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

22. Cash flow information

a. Reconciliation of profit for the year to net cash flows from operating activities

	Consolidated Group	
	2013	2012
	$'000	$'000
Cash flows from operating activities		
(Loss) / Profit for the year	(1,434)	69
▪ Investment income recognised in profit or loss	(73)	(135)
▪ Income tax (benefit) / expense	(23)	237
Non-cash flows in profit from ordinary activities		
▪ Amortisation of intangible assets	285	232
▪ Depreciation	631	804
▪ Employee share plan incentive schemes	(21)	(629)
▪ Impairment of non-current assets	38	-
▪ Non cash property movements	92	-
▪ Other non cash items	14	-
	(491)	578
Movements in working capital		
▪ (Increase) / decrease in trade debtors	(80)	2,223
▪ (Increase) in prepayments	(7)	(171)
▪ (Increase) in other debtors	(654)	(282)
▪ (Decrease) in trade creditors and accruals	(60)	(2,248)
▪ (Decrease) in provisions[1]	(77)	(161)
Cash (used in) operations	(878)	(639)
Tax Refund / Paid	318	(293)
Net cash (used in) operating activities	(1,051)	(354)

[1] Included in the movement in provisions are non-cash movements, primarily relating to the transfer of the make good asset as disclosed in Note 12.

b. Credit standby arrangements

The Consolidated Group has a loan facility of $2 million in Australia and £0.2 million in the United Kingdom. Interest rates are variable and subject to market rates at the time funds are drawn. Both facilities were undrawn at 31 December 2013, at the date of this report and rarely used during the year. The facilities are secured by floating charges over the assets of a number of the Consolidated Group's controlled entities.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

23. Financial risks

a. Financial risk management

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

Financial risks

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

i. *Interest rate risk*

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

	Consolidated Group		Effective Interest Rate	
	2013	2012	2013	2012
	$'000	$'000	%	%
Financial assets				
Cash (floating interest)	5,225	6,457	1.75%	2.09%

Other financial assets and liabilities are non-interest bearing. The Consolidated Group currently has no bank borrowings and changes in market interest rates are not considered material to the Consolidated Group's cash balance. Therefore a sensitivity analysis has not been performed.

ii. *Foreign currency sensitivity*

Although the majority of the Consolidated Group's transactions are carried out in Australian Dollars, the Consolidated 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 Consolidated 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. As the exposure to foreign currency is minimised no sensitivity analysis has been disclosed. The Consolidated Group does not undertake any hedging activities with regard to day-to-day foreign exchange exposures.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

23. Financial risks (cont.)

iii. Liquidity risk

The Consolidated 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 Consolidated 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 2013, the Consolidated Group's liabilities have contractual maturities which are summarised below:

	Current		Non-current			
	within 12 months		1 to 2 years		2 to 5 years	
	2013	2012	2013	2012	2013	2012
	'000	'000	'000	'000	'000	'000
Trade payables	5,910	5,970	-	-	-	-
Provision for employee entitlements	625	933	97	17	47	56
Provision for make good	109	301	168	129	310	202
Provision for onerous leases	109	137	139	73	52	25
Other Short Term Provisions	214	-	92	-	43	-
Total	6,967	7,341	496	219	452	283

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 statement of financial position and notes to the financial statements.

The Consolidated Group manages it's 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 Consolidated Group continuously manages defaults of customers and reviews latest available market information to identify potential risks of default. It is the Consolidated Group's policy to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Consolidated 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	
	2013	2012
	$'000	$'000
Classes of financial assets-carrying amounts		
Cash and cash equivalents	5,225	6,457
Trade and other receivables	11,350	10,616
Current tax assets	31	377
	16,606	17,450

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

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

23. Financial risks (cont.)

v. *Price risk sensitivity*

The Consolidated 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 Consolidated Group. Therefore no price sensitivity analysis has been disclosed.

b. Fair values

The fair values of financial assets and liabilities disclosed in the consolidated statement of financial position 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 fair values.

24. Operating lease arrangements

Operating leases relate to leases of property. Property leases are non-cancellable and have lease terms of between 1 and 5 years, with options to renew at the lessee's discretion in some instances. Provisions have been made for onerous contracts related to the rental lease of office premises (Note 24 c). These have not been adjusted for in the disclosure of lease commitments.

a. Payments recognised as an expense.

	Consolidated Group	
	2013	2012
	$'000	$'000
Minimum lease payments	2,794	2,511
Contingent rentals	-	-
Sub-lease payments received	(120)	-
	2,674	2,511

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

	Consolidated Group	
	2013	2012
	$'000	$'000
▪ not later than 1 year	2,206	2,235
▪ later than 2 years but not later than 5 years	3,145	1,074
▪ later than 5 years	-	571
	5,351	3,880

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

24. Operating lease arrangements (cont.)

c. Liabilities recognised in respect of non-cancellable operating leases

	Consolidated Group	
	2013	2012
	$'000	$'000
Onerous lease contracts (Note 16)		
▪ Current	109	137
▪ Non-current	191	98
Lease incentives		
▪ Current	175	-
▪ Non-current	135	-
	610	235

25. Capital expenditure commitments

The Consolidated Group has no capital expenditure commitments at the balance sheet date (2012: Nil).

26. Contingent liabilities

	Consolidated Group	
	2013	2012
	$'000	$'000
Bank guarantees in relation to property leases	694	654

There is a floating charge over the assets of several group companies in relation to a $2 million bank facility.

The Company has granted a debenture through its UK subsidiary to the UK bank as part of the overdraft facility. The debenture promises to pay back on demand all monies owing to the bank plus interest and charges. The debenture holds a fixed charge over the plant and fixed assets of the UK subsidiary and a floating charge over its other assets.

27. Segment reporting

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

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

- Australia
- Asia
- UK
- Group

There have been no changes in the basis of segmentation or basis of segmental profit or loss since the previous financial report. Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Consolidated Group's accounting policies described in Note 1.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

27. Segment reporting (cont.)

Segment revenue and results	Revenue[1]		Segment profit / (loss)	
	Year ended		Year ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	$'000	$'000	$'000	$'000
Continuing operations				
Australia	59,203	62,914	(325)	1,410
Asia	10,905	8,124	776	357
UK	12,822	16,389	(210)	(301)
	82,930	87,427	241	1,466
Investment income			73	135
Group [2]			(1,771)	(1,295)
(Loss) / profit before tax			(1,457)	306

[1] The revenue reported above represents revenue generated from external customers. There were no intergroup sales during the year. The policies of the reportable segments are the same as the Consolidated Group's accounting policies described in Note 1.

[2] Group charges consist of employment and other costs for Executive and Non Executive Directors.

Other segment information	Depreciation and amortisation		Additions to non-current assets	
	Year ended		Year ended	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	$'000	$'000	$'000	$'000
Continuing operations				
Australia	416	637	293	92
Asia	257	225	669	108
UK	243	174	126	90
Total	916	1,036	1,088	290

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

27. Segment reporting (cont.)

Segment assets and liabilities	Consolidated Group	
	2013	2012
	$'000	$'000
Segment assets		
Australia	11,350	13,960
Asia	5,633	3,382
UK	2,435	2,631
Total segment assets	19,418	19,973
Group	-	-
Consolidated total assets	19,418	19,973
Segment liabilities		
Australia	5,343	5,737
Asia	1,383	592
UK	1,189	1,514
Total segment liabilities	7,915	7,843
Group	-	-
Consolidated total liabilities	7,915	7,843

All assets are allocated to reportable segments.

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.

	2013	2012
	$'000	$'000
Group Management Fees owed by subsidiaries to the parent entity	617	372

Remuneration paid to Directors has been included in Note 29.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

29. Key Management Personnel compensation

The aggregate compensation made to Key Management Personnel of the Group is set out below:

	2013	2012
	$'000	$'000
Short-term employee benefits	1,289	1,276
Non Cash Benefits	32	-
Post-employment benefits	66	53
Share-based payment	(20)	(348)
Termination Benefits	574	-
	1,941	981

Details of Key Management Personnel

The directors and other members of key management personnel of the group during the year were:

- Eric Dodd (Non -Executive Chairman), appointed 18 March 2013, resigned 20 January 2014
- Cathy Doyle (Non - Executive director)
- Paul Young (Non - Executive director)
- Guy Day (Director, Chief Executive Officer), resigned 20 January 2014
- Nick Waterworth (Executive Director), appointed Executive Chairman 20 January 2014
- Paul Lyons (Executive Director), resigned 14 May 2013
- Rick Taylor (Chief Financial Officer, company secretary), resigned 12 June 2013
- Peter O'Donovan (Chief Financial Officer, company secretary), appointed 12 June 2013, resigned 17 January 2014

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

29. Key Management Personnel compensation (cont.)

The remuneration of Key Management Personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. The compensation of each member of Key Management Personnel of the Group is set out in the table below:

	Short-term benefits			Post-Employment Benefits	Share based payment	Other benefits	
2013	Salary and fees	Non cash benefits	Bonuses [4]	Super	Options and shares	Termination payment	Total
	$	$	$	$	$	$	$
Directors							
Eric Dodd[1]	79,812	-	-	7,303	-	-	87,115
Cathy Doyle	51,550	-	-	4,700	-	-	56,250
Paul Young	51,550	-	-	4,700	-	-	56,250
Guy Day	425,004	15,664	-	-	(8,635)	-	432,033
Nick Waterworth	160,341	-	17,580	17,807	-	-	195,728
Paul Lyons[2]	321,257	16,321	-	15,098	-	481,445	834,121
	1,089,514	31,985	17,580	49,608	(8,635)	481,445	1,661,497
Other Key Management Personnel							
Rick Taylor[3]	121,534	-	-	10,980	(11,209)	92,609	213,914
Peter O'Donovan[3]	60,553	-	-	5,601	-	-	66,154
	1,271,601	31,985	17,580	66,189	(19,844)	574,054	1,941,565

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

29. Key Management Personnel compensation (cont.)

	Short-term benefits			Post-Employment Benefits	Share based payment	Other benefits	
2012	Salary and fees	Non cash benefits	Bonuses [4]	Super	Options and shares	Termination payment	Total
	$	$	$	$	$	$	$
Directors							
Nick Waterworth	124,900	13,742	20,540	12,179	(157,500)	-	13,861
Paul Lyons	385,615	23,436	-	16,122	(157,500)	-	267,673
Guy Day	397,559	-	-	-	(23,839)	-	373,720
Paul Young	55,046	-	-	4,954	-	-	60,000
Cathy Doyle[5]	36,697	-	-	3,303	-	-	40,000
Andrew Adamovich[6]	10,000	-	-	-	-	-	10,000
	1,009,817	37,178	20,540	36,558	(338,839)	-	765,254
Other Key Management Personnel							
Rick Taylor	209,051	-	-	16,122	(9,384)	-	215,789
	1,218,868	37,178	20,540	52,680	(348,223)	-	981,043

[1] Eric Dodd was appointed as chairman of the Board on 18 March 2013 and resigned on 20 January 2014.

[2] Paul Lyons resigned from the Board on 14 May 2013.

[3] Rick Taylor resigned as company secretary on 12 June 2013 and Peter O'Donovan was appointed as company secretary on this date. Peter O'Donovan resigned on 17 January 2014.

[4] This is the annual short term incentive based on criteria set on the 1 January each year and vesting on the results for the year to 31 December.

[5] Cathy Doyle was appointed to the Board on 1 May 2012.

[6] Andrew Adamovich resigned from the Board on 1 May 2012.

30. Subsequent events

On 17 January 2014, Peter O'Donovan resigned his positions as Chief Financial Officer and Company Secretary. On 20th January 2014, Eric Dodd resigned from his position as Non-executive Chairman and Guy Day resigned his position as Executive Director and Chief Executive Officer.

Nick Waterworth was appointed as Executive Chairman on 20 January 2014.

Notes to the Financial Statements (cont.)

for the year ended 31 December 2013

31. Parent Entity Financial Statements

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 1 for a summary of the significant accounting policies relating to the Consolidated Group.

Financial Position
as at 31 December 2013

	Parent Entity	
	2013	2012
	$'000	$'000
Assets		
Current assets	267	269
Non-current assets	15,927	15,405
Total assets	16,194	15,674
Liabilities		
Current liabilities	-	137
Non-current liabilities	-	-
Total liabilities	-	137
Equity		
Issued Capital	49,501	49,409
Reserves	32	84
Retained losses	(33,339)	(33,956)
Total equity	16,194	15,537

Financial performance	Year ended	
	2013	2012
	$'000	$'000
Profit for the year	(617)	(619)
Other comprehensive income	-	-
Total comprehensive income	(617)	(619)

The parent entity is the named company on the bank guarantees disclosed in Note 26. ANZ Bank holds a cross guarantee for the parent and all subsidiaries as security for the bank guarantees and other bank facilities.

Directors' Declaration

The Directors of the Company declare that:

1. 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;
2. In the Directors' opinion, the financial statements and notes, as set out in pages 28 to 64, are in accordance with the Corporations Act and:
   a. comply with Accounting Standards and the Corporations Regulations 2001;
   b. give a true and fair view of the financial position as at 31 December 2013 and of the performance for the year ended on that date of the Company and Consolidated Group;
3. In the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as stated in Note 1(a); and
4. In the Directors' opinion, the Directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

Nick Waterworth
Executive Chairman, Ambition Group

Independent Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

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

We have audited the accompanying financial report of Ambition Group Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 23 to 65.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's 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 company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company'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.

Independent Auditor's Report (cont.)

Deloitte.

Auditor's Independence Declaration

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

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 consolidated entity's financial position as at 31 December 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 21 of the directors' report for the year ended 31 December 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Ambition Group Limited for the year ended 31 December 2013, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants
Sydney, 28 February 2014

Additional Information

1. Shareholdings

a. Distribution of security holders numbers (as at 18 February 2014)

Category (size of holding)	1-1000	1,001-5,000	5,001-10,000	10,001-100,000	100,001 and over
Number of security holders	79	172	50	122	61

b. The number of shareholders holding less than a marketable parcel is 173 (2012: 189).

c. Names of the substantial shareholders listed on the Company's register (as at 18 February 2014)	**Number**
Mr Victor John Plummer	17,183,880
Nicholas Waterworth and associates	13,433,477
Paul Young and associates	3,867,418

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 18 February 2014)	**Number**	**%**
Mr Victor John Plummer	17,183,880	25.58
Little Acorns Investments Pty Ltd <Waterworth Family Disc A/C>	8,120,107	12.09
Dixson Trust Pty Limited	3,325,260	4.95
Kirby Design Consultants Pty Ltd	2,963,623	4.41
Clapsy Pty Limited <Baron Super Fund A/C>	2,311,822	3.44
Mr Guy Nicholas Day	2,300,000	3.42
Penguin Head Investments Pty Ltd <Lyons Ambition Disc Unit A/C>	2,151,554	3.20
Ambition Employee Share Managers Pty Limited <Elsp A/C>	2,020,000	3.01
Mr John Hamilton Aboud <Superannuation Fund A/C>	1,756,050	2.61
HSBC Custody Nominees (Australia) Limited	1,511,454	2.25
2Invest Pty Ltd <2Invest Super Fund A/C>	1,457,450	2.17
Mr Andrew John Winterburgh	1,282,199	1.91
Ambition Employee Share Managers Pty Ltd <Desp A/C>	1,226,828	1.83
P & L Lyons Pty Ltd	923,445	1.37
Mr Richard Taylor	771,410	1.15
Clapsy Pty Ltd <Baron Super Fund A/C>	720,000	1.07
Bannaby Investments Pty Ltd <Bannaby Super Fund A/C>	674,260	1.00
Mr Nicholas James Johnston	633,154	0.94
Mr Geoffrey Allan Hickin	602,694	0.90
Agrico Pty Ltd <Palm Super Fund A/C>	573,262	0.85
	52,508,452	78.17

Corporate Directory

Websites
www.ambition.com.au
www.ambition.com.hk
www.ambition.com.sg
www.ambition.co.uk
www.ambition.com.my
www.ambitiongroup.co.jp
www.accountability.com.au
www.watermarksearch.com.au
www.buildingbetterfutures.com

Share Registry
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Stock Exchange Listing
Ambition Group Limited is listed on the Australian Securities Exchange
Ambition AccountAbility ASX code: AMB

Ambition Group Limited
and its Controlled Entities
ABN 31 089 183 362

BUILDING BETTER FUTURES.

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