Ambition Group Limited
Preliminary Final Report
for the year ended 31st December 2008
&
Appendix 4E information

Major Cities | Major Disciplines

ambition
(ABN 31 089 183 362)

"Adapting to the conditions"

The Directors of Ambition (ASX: AMB) today announced that profit before impairment charges and taxation for the year-ended 31 December 2008 was $660k, which is in line with the forecast made in December of $500-$750k.

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

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

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

The directors have not declared a final dividend.

The results are as follows:

	31 Dec 2008	31 Dec 2007	Change	Change
	$'000	$'000	$'000	%
Revenues from ordinary activities	129,206	79,138	50,068	63%
On-hired labour costs	(66,752)	(36,504)	(30,248)	83%
Profit before impairment of intangible assets, onerous leases and tax attributable to members	660	5,608	(4,948)	(88%)
Impairment of intangible assets and onerous leases	(25,256)	-	(25,256)	n/a
Profit before tax	(24,596)	5,608	(30,204)	(539%)
Profit after tax	(24,528)	4,046	(28,574)	(706%)

Commenting on the results, Executive Chairman Nick Waterworth said: "the third quarter of last year produced solid profits, especially here in Australia. However the global financial crisis and the rapid downturn in the resources sector had a remarkably sudden effect on business confidence resulting in wholesale cancellations or postponements of recruitment assignments."

"We acted swiftly, however revenue declined immediately whereas our restructuring programme did not have its full effect until January this year."

The Group's cash position remains satisfactory, with no term debt and with sufficient cash on hand to meet the forthcoming earn-out obligation.

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

We expect 2009 to be very challenging. However, we are solid in the belief that business confidence will rise again and with that conditions will eventually revert to those conducive for an increased level of activity in the recruitment market and the generation of returns to shareholders. We are fortunate to have a specialised business model, deep management experience and staff dedicated to generating revenue, albeit in a very difficult operating environment.

Enquiries: Nick Waterworth, Executive Chairman - +61 2 9249 5004

Ambition is a careers, recruitment and contracting Group with offices in Sydney, Melbourne, Brisbane, London, Hong Kong and Singapore. We specialise in a number of key white-collar disciplines with particular expertise in accounting, audit, risk, information technology and marketing plus executive search.

Consolidated Income Statement
for the year ended 31 December 2008

	Note	31 Dec 2008 $'000	31 Dec 2007 $'000
Revenue	2(a)	129,206	79,138
Employee benefits expense		(41,387)	(25,177)
On-hired labour costs		(66,752)	(36,504)
Payroll tax		(1,456)	(1,050)
Depreciation and amortisation expense	2(b)	(1,577)	(657)
Impairment of goodwill		(22,078)	-
Impairment of other intangibles		(1,586)	-
Onerous contracts		(1,592)	-
Finance costs	2(b)	(744)	(258)
Advertising and marketing		(2,783)	(2,039)
Computer expenses		(604)	(445)
Rental expense on operating leases	2(b)	(3,463)	(1,829)
Other expenses		(9,780)	(5,571)
(Loss)/Profit before income tax expense		(24,596)	5,608
Income tax income/(expense)	3	68	(1,562)
(Loss)/Profit after income tax expense		(24,528)	4,046
Basic earnings per share (cents per share)		(48.35)	12.47
Diluted earnings per share (cents per share)		(48.35)	12.43

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

Consolidated Balance Sheet
as at 31 December 2008

	Note	31 Dec 2008 $'000	31 Dec 2007 $'000
Current assets			
Cash and cash equivalents		6,681	3,107
Trade and other receivables		13,467	12,393
Other current assets		612	261
TOTAL CURRENT ASSETS		20,760	15,761
Non-current assets			
Financial assets	4	12	9
Property, plant and equipment		1,704	1,997
Intangible assets	5	7,367	12,570
Deferred tax assets		1,760	927
TOTAL NON-CURRENT ASSETS		10,843	15,503
TOTAL ASSETS		31,603	31,264
Current liabilities			
Trade and other payables	6	13,256	8,734
Current tax liabilities		145	874
Short-term provisions		1,345	652
Financial liabilities		19	744
TOTAL CURRENT LIABILITIES		14,765	11,004
Non-current liabilities			
Deferred tax liabilities		339	641
Long-term provisions		1,064	199
TOTAL NON-CURRENT LIABILITIES		1,403	840
TOTAL LIABILITIES		16,168	11,844
NET ASSETS		15,435	19,420
Equity			
Issued capital		44,885	21,100
Reserves		(2,407)	(1,274)
Accumulated losses		(27,043)	(406)
TOTAL EQUITY		15,435	19,420

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

Consolidated Statement of Changes in Equity for the year ended 31 December 2008

	Issued Capital $'000	Accumulated Losses $'000	Reserves $'000	Total $'000
Balance as at 1 January 2007	19,025	(2,696)	(318)	16,011
Adjustment arising from translation of foreign controlled entity's financial statements	-	-	(212)	(212)
Movement in value of hedge reserve			(744)	(744)
Net loss recognised directly in equity	-	-	(956)	(956)
Profit attributable to members of parent	-	4,046	-	4,046
Total recognised income for the period	-	4,046	(956)	3,090
Shares issued under DRP	446	-	-	446
Share placements net of costs	717	-	-	717
Shares issued under employee share plans	734	-	-	734
Shares vesting under share option plans	178	-	-	178
	21,100	1,350	(1,274)	21,176
Dividends paid	-	(1,756)	-	(1,756)
Balance as at 31 December 2007	21,100	(406)	(1,274)	19,420
Balance as at 1 January 2008	21,100	(406)	(1,274)	19,420
Adjustment arising from translation of foreign controlled entity's financial statements	-	-	(1,894)	(1,894)
Movement in value of hedge reserve	-	-	744	744
Net loss recognised directly in equity	-	-	(1,150)	(1,150)
Loss attributable to members of parent	-	(24,528)	-	(24,528)
Total recognised loss for the period	-	(24,528)	(1,150)	(25,678)
Shares issued under DRP	222	-	-	222
Share placements net of costs	22,502	-	-	22,502
Shares issued under employee share plans	1,061	-	17	1,078
	44,885	(24,934)	(2,407)	17,544
Dividends paid	-	(2,109)	-	(2,109)
Balance as at 31 December 2008	44,885	(27,043)	(2,407)	15,435

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

Consolidated Cash Flow Statement
for the year ended 31 December 2008

	31 Dec 2008 $'000	31 Dec 2007 $'000
Cash flows from operating activities		
Receipts from customers	150,280	85,652
Payments to suppliers and employees	(142,336)	(80,672)
Interest received	257	122
Income tax paid	(2,042)	(1,298)
Interest and other costs of finance paid	(308)	(11)
Net cash provided by/(used in) operating activities	5,851	3,793
Cash flows from investing activities		
Payments to acquire plant and equipment	(586)	(603)
Payment for other non-current assets	(419)	(4,035)
Payments for acquisition of businesses	(21,228)	(1,341)
Net cash used in investing activities	(22,233)	(5,979)
Cash flows from financing activities		
Proceeds from issue of equity securities	23,380	50
Payment for share issue costs	(1,101)	(55)
Dividends paid	(1,862)	(539)
Net cash used in financing activities	20,417	(544)
Net increase/(decrease) in cash held	4,035	(2,730)
Cash at the beginning of the financial period	**3,107**	**6,093**
Effect of exchange rates on cash holdings in foreign currencies	(461)	(256)
Cash at the end of the financial period	**6,681**	**3,107**

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

Notes to the Financial Statements

1. Basis of Preparation

The recognition and measurement requirements of Australian Accounting Standards have been applied in the preparation of the Appendix 4E.

(a) Principles of Consolidation

A controlled entity is any entity controlled by Ambition Group Limited whereby Ambition Group Limited has the power to control the financial and operating policies of an 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.

(b) Income Tax

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

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

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

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

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

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

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

(c) Revenue Recognition

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

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

Contracting revenue is recognised when the services are provided.

(d) Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

<u>Depreciation</u>

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases

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

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

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

(e) Leases (continued)

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

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

(f) Financial Instruments

i. Recognition

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

ii. Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

iii. Financial liabilities

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

iv. Fair value

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

v. Impairment

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

(g) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and it's value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(h) Intangibles

i. Goodwill

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

(h) Intangibles (continued)

ii. Web development costs
Web development costs are recognised at cost of acquisition. They have a definite life and are carried at cost less any accumulated amortisation and any impairment losses. Web development costs are amortised over their useful life of no more than 3 years.

The web site is considered to be a revenue generating asset and as such, all expenses incurred in the development of the web site are capitalised as an intangible asset. The asset has a definite life and is carried at cost less accumulated amortisation and any impairment losses.

(i) Foreign Currency Transactions & Balances

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

The financial report is presented in Australian dollars.

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

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

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

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

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date
- Income and expenses are translated at average exchange rates for the period
- Retained profits are translated at the exchange rates prevailing at the date of the transaction

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

(j) Employee Benefits

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

(k) Provisions

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

(l) Cash and Cash Equivalents

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

(m) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(n) Share Based Payments

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

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

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

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

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

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

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

(o) Borrowing Costs

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

(p) Comparative Figures

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

(q) Critical Accounting Estimates and Judgements

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

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

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

(r) Changes in Accounting Standards

The Directors have considered all pending Australian Accounting Standards issued between the previous financial report and the current reporting date and believe they have no significant financial impact to either the parent or the consolidated group.

2. Profit from operations

	31 Dec 2008 $'000	31 Dec 2007 $'000
(a) Revenue		
Recruitment services revenue	128,949	79,016
Interest received	257	122
	129,206	79,138

(b) Profit before income tax

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

Finance costs		
- deferred purchase liability	436	247
- other finance costs	308	11
	744	258
Depreciation and amortisation expense		
- depreciation of plant and equipment	1,302	484
- amortisation of intangibles	275	173
	1,577	657
Share based payments expense	1,001	862
Rental expense on operating leases		
- minimum lease payments	3,463	1,829

3. Income Tax

(Loss)/profit before income tax	(24,596)	5,608
Prima facie tax	(7,379)	1,682
Add tax effect of:		
- non deductible interest	139	74
- non deductible goodwill impairment	7,100	-
- non deductible amortisation		
- other non-deductible expenses	242	194
Less tax effect of:		
- overseas tax differential	(33)	(350)
- overprovision in prior period	(137)	(38)
Income tax (income)/expense attributable to profit before tax	(68)	1,562

4. Other financial assets

Shares in listed corporations	12	9

5. Intangible assets

Goodwill - at cost	29,523	12,229
Candidate database – at cost	1,586	-
Computer software – at cost	872	596
Web development – at cost	627	547
Accumulated amortisation	(1,108)	(802)
Impairment of intangibles	(24,133)	-
	7,367	12,570

At 31 December 2008 we reviewed the goodwill balance, the operating and commercial environment, and the future discounted cashflows derived from the Group's cash generating units, and it was determined that the carrying value of the goodwill and other intangibles was impaired.

As a result we have written down the carrying value of goodwill by $22.1m and other intangibles by $1.6m. A $0.4m foreign exchange difference to the income statement occurs on translation.

Associated with the impairment are provisions made for onerous contracts being the rental lease of office premises, and impairment of leasehold assets held at those premises of $1.6m.

	31 Dec 2008 $'000	31 Dec 2007 $'000
6. Trade and other payables		
Current		
Trade payables	9,155	8,734
Witan Jardine purchase liability	4,101	-
	13,256	8,734
7. Earnings per share		
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	50,729	32,453
Potential number of ordinary shares which have been treated as dilutive	297	108
Total potential ordinary shares	51,026	32,561
Basic (losses)/earnings per share (cents per share)	(48.35)	12.47
Diluted (losses)/earnings per share (cents per share)	(48.35)	12.43

	31 Dec 2008 $	31 Dec 2007 $
8. Net tangible assets		
Net tangible asset backing per ordinary share	0.16	0.23

9. Contributed equity

52,549,292 (2007: 33,072,347) fully paid ordinary shares

	'000	'000
Balance at the beginning of the year	33,072	31,160
Employee share plan issues	2,196	891
Shares issued under DRP	421	279
Share placements	16,860	492
Options exercised	-	250
Balance at the end of the period	52,549	33,072

10. Acquisition of a Subsidiary

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

	$'000
Total acquisition costs	28,220
Assets and liabilities acquired at acquisition date:	
Cash	8,851
Trade receivables	12,053
Property, plant and equipment	343
Intangible assets	3
Trade payables	(14,163)
Candidate database	1,586
Net Assets acquired	8,673
Goodwill on consolidation	19,547
Goodwill after impairment	5,088

Total acquisition costs comprise cash consideration, deferred consideration and professional fees incurred in 2007 and 2008.

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

As a result of this acquisition there was a decrease in profit before tax of $14.5m

11. Events subsequent to reporting date

There were no events subsequent to the reporting date.

12. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

13. Other Information

The accounting policies, estimation methods and measurement bases used in this report are consistent with those used in the annual report. This report and the accounts upon which it is based use the same accounting policies.

This report gives a true and fair view of the matters disclosed and is based on accounts which have been reviewed by auditors. This entity has a formally constituted audit committee.

14. Segment reporting

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

Business segments

The group operates in the one business segment of recruitment.

	31 Dec 2008 $ '000	31 Dec 2007 $ '000
15. Dividends		
Recognised Amounts		
Fully Paid Ordinary Shares		
Interim fully franked dividend of 1.5 cents per share franked at a rate of 30% (2006: 2c)	786	660
Unrecognised Amounts		
Fully Paid Ordinary Shares		
Final fully franked dividend of nil cents per share franked at a rate of 30% (2007: 4c)	-	1,323
Adjusted franking account balance	1,193	1,387
Impact on franking account of dividends not recognised	-	(567)

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

The Directors have declared that there will be no final dividend

Nick Waterworth
Executive Chairman
27 February 2009