

**Hamilton James & Bruce Group Limited**  
**Appendix 4E**  
**Preliminary final report**



1 Name of entity: Hamilton James & Bruce Group Limited  
 ABN: 90 091 302 975  
 Financial year ended: 30 June 2011  
 Previous period: 30 June 2010

2 Results for announcement to the market		<u>\$000</u>		<u>\$000</u>
2.1 Revenues from continuing operations	up by	7,085	to	55,655
2.2 Profit / (Loss) before income tax from continuing operations	up by	2,995	to	394
Profit / (Loss) after income tax from continuing operations	up by	3,007	to	417
Profit / (Loss) for the financial year	up by	3,007	to	417
2.3 Net profit/(loss) after income tax for the period attributable to members of Hamilton James & Bruce Group Limited	up by	3,007	to	417

2.4 Dividends

This period

Final dividend  
Interim dividend

Previous period

Final dividend  
Interim dividend

Amount per share	Franked amount per share
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil

2.5 Record date for determining entitlements to dividends

N/A
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**Preliminary consolidated statement of comprehensive income**

For the year ended 30 June 2011

	Notes	2011 \$000	2010 \$000
<b>Revenue from continuing operations</b>	3	<b>55,655</b>	48,570
Depreciation and amortisation expense	4	(291)	(440)
Impairment - other assets	4	-	(74)
Impairment - goodwill		-	-
Employment costs	4	(50,465)	(46,384)
Interest expense	4	(539)	(475)
Other expenses		(3,966)	(3,798)
<b>Profit / (Loss) before income tax</b>		<b>394</b>	(2,601)
Income tax benefit / (expense)		23	11
<b>Profit / (Loss) for the financial year</b>		<b>417</b>	(2,590)
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		0.1	(1.0)
Diluted earnings per share		0.1	(1.0)

The above preliminary consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

## Preliminary consolidated statement of comprehensive income

For the year ended 30 June 2011

	Notes	2011 \$000	2010 \$000
<b>Profit / (Loss) for the financial year</b>		<b>417</b>	<b>(2,590)</b>
Other comprehensive income			
Exchange differences on translation of foreign operations		-	-
<b>Other comprehensive income for the financial year net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>		<b>417</b>	<b>(2,590)</b>

The above preliminary consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

**Preliminary consolidated statement of financial position**

As at 30 June 2011

	Notes	2011 \$000	2010 \$000
<b>Current assets</b>			
Cash and cash equivalents	8	1,494	1,101
Trade and other receivables	9	7,435	6,402
<b>Total current assets</b>		<b>8,929</b>	<b>7,503</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method		-	-
Available-for-sale financial assets		1	1
Rental bonds		67	71
Property, office fitout, plant and equipment	10	1,051	1,230
Deferred tax assets		-	-
Intangible assets	11	7,236	7,294
<b>Total non-current assets</b>		<b>8,355</b>	<b>8,596</b>
<b>Total assets</b>		<b>17,284</b>	<b>16,099</b>
<b>Current liabilities</b>			
Trade and other payables	12	2,960	4,916
Lease incentives	13	113	97
Current tax liabilities	14	-	-
Provisions	15	273	251
Borrowings	16	2,339	2,237
Deferred settlement		-	-
<b>Total current liabilities</b>		<b>5,685</b>	<b>7,501</b>
<b>Non-current liabilities</b>			
Lease incentives	17	684	813
Borrowings	17	1,000	1,100
Deferred tax liabilities		-	-
Provisions	18	339	342
Deferred settlement		-	-
<b>Total non-current liabilities</b>		<b>2,023</b>	<b>2,255</b>
<b>Total liabilities</b>		<b>7,708</b>	<b>9,756</b>
<b>Net assets</b>		<b>9,576</b>	<b>6,343</b>
<b>Equity</b>			
Contributed equity		27,001	24,199
Reserves		55	41
Retained profits		(17,480)	(17,897)
<b>Total equity</b>		<b>9,576</b>	<b>6,343</b>

The above preliminary consolidated statement of financial position should be read in conjunction with the accompanying notes.

### Preliminary consolidated statement of changes in equity

For the year ended 30 June 2011

	Contributed equity	Retained earnings	Share based Payments reserve	Capital options reserve	Total Equity
	\$000	\$000	\$000	\$000	\$000
<b>Balance at 1 July 2010</b>	<b>24,199</b>	<b>(17,897)</b>	<b>41</b>	<b>-</b>	<b>6,343</b>
<b>Total comprehensive Income for the year</b>	<b>-</b>	<b>417</b>	<b>-</b>	<b>-</b>	<b>417</b>
<b>Transfer from share-based payments reserve to retained earnings</b>					
<b>Transactions with equity holders in their capacity as equity holders:</b>					
Issue of Equity	2,802	-	-	-	2,802
Employee share plan and share options	-	-	-	14	14
Dividends paid	-	-	-	-	-
	<b>2,802</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>2,816</b>
<b>Balance at 30th June 2011</b>	<b>27,001</b>	<b>(17,480)</b>	<b>41</b>	<b>14</b>	<b>9,576</b>
<b>Balance at 1 July 2009</b>	<b>21,615</b>	<b>(15,307)</b>	<b>41</b>	<b>-</b>	<b>6,349</b>
<b>Total comprehensive Income for the year</b>	<b>-</b>	<b>(2,590)</b>	<b>-</b>	<b>-</b>	<b>(2,590)</b>
<b>Transfer from share-based payments reserve to retained earnings following liquidation of non operating entities</b>					<b>-</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>					
Issue of Equity	2,584	-	-	-	2,584
Employee share plan and share options	-	-	-	-	-
Dividends paid	-	-	-	-	-
	<b>2,584</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,584</b>
<b>Balance at 30th June 2010</b>	<b>24,199</b>	<b>(17,897)</b>	<b>41</b>	<b>-</b>	<b>6,343</b>

The above preliminary consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Preliminary consolidated statement of cash flows**

For the year ended 30 June 2011

	2011 \$000	2010 \$000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	61,178	55,716
Payments to suppliers and employees (inclusive of goods and services tax)	(63,083)	(58,220)
	(1,905)	(2,504)
Interest paid	(539)	(475)
Interest received	74	45
Income taxes (paid) / refund	41	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(2,329)</b>	<b>(2,934)</b>
<b>Cash flows from investing activities</b>		
Payment for property, office fitout, plant and equipment	(67)	(319)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(67)</b>	<b>(319)</b>
<b>Cash flows from financing activities</b>		
Proceeds of borrowings	-	-
Proceeds of borrowings from associates	3,250	3,050
Proceeds from lease incentive/fitout	40	190
Dividends paid	-	-
Proceeds from rights issue, net of costs	2,647	2,584
Proceeds from employee share option plan	100	-
	(248)	(634)
Repayment of borrowings	(248)	(634)
Repayment of borrowings from associates	(3,000)	(2,300)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>2,789</b>	<b>2,890</b>
<b>Net increase/(decrease) in cash held</b>	<b>393</b>	<b>(363)</b>
Cash at the beginning of the financial year	1,101	1,464
<b>Cash at the end of the financial year</b>	<b>1,494</b>	<b>1,101</b>

The above preliminary consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the preliminary consolidated financial statements

### Note 1 – Basis of preparation of financial statements

This general purpose financial report for the year ended 30 June 2011 has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Hamilton James & Bruce Group Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

### New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting period. The Group assessed the impact of these new standards and interpretations. Based on this assessment, it is not expected that these new accounting standards will have a material impact on the amounts reported in the Group's financial statements. Certain disclosures and presentation may change due to the new or amended standards.

## NOTE 2 SEGMENT INFORMATION

### (a) Business segments

The consolidated entity operates in one industry segment being the recruitment industry. As a result no additional business segment information has been provided.

### (b) Geographical segments

The consolidated entity operates in one geographical segment being Australia. As a result no additional geographical segment information has been provided.

### (c) Equity accounting investments

The consolidated entity holds no investments relating to equity accounting.

A reconciliation of EBITDA to operating profit before tax is provided as follows:

	2011	2010
	\$000	\$000
<b>EBITDA</b>	<b>1,224</b>	<b>(1,612)</b>
Depreciation and amortisation expense	<b>(291)</b>	<b>(514)</b>
Finance Cost	<b>(539)</b>	<b>(475)</b>
<b>Profit before income tax from continuing operations</b>	<b>394</b>	<b>(2,601)</b>

**Notes to the preliminary consolidated financial statements (continued)**

**NOTE 3 REVENUE**

	<b>2011</b>	2010
	<b>\$000</b>	\$000
<b>From continuing operations</b>		
<i>Sales revenue</i>		
Permanent placements	<b>8,110</b>	4,147
Temporary placements	<b>46,884</b>	43,599
<i>Other revenue</i>		
Interest	<b>74</b>	45
HR consulting	-	12
Rents and sub-lease rentals	<b>582</b>	571
Other	<b>5</b>	196
<b>Total revenue from continued operations</b>	<b>55,655</b>	48,570
<b>From discontinued operations</b>		
<i>Other revenue</i>		
Interest	-	-
Dividend	-	-
<b>Total revenue from discontinued operations</b>	-	-
<b>Total revenue</b>	<b>55,655</b>	48,570

## Notes to the preliminary consolidated financial statements (continued)

### NOTE 4 EXPENSES

	2011	2010
	\$000	\$000
<b>Profit before income tax includes the following specific expenses:</b>		
Continuing operations		
<i>Depreciation</i>		
Property, office fitout, plant and equipment	10 223	336
<i>Amortisation</i>		
Software and database	11 66	56
Make good	10 2	48
	<u>68</u>	<u>104</u>
<b>Depreciation and amortisation expense</b>	<u>291</u>	<u>440</u>
<i>Impairment</i>		
Property, office fitout, plant and equipment	10 -	-
Software and database	11 -	74
	<u>-</u>	<u>74</u>
Employment costs		
Temporary placements	38,677	36,490
Permanent personnel	8,998	7,335
Defined contribution superannuation expense	2,790	2,559
	<u>50,465</u>	<u>46,384</u>
Financing costs	539	475
Occupancy costs	2,020	1,823
Net loss on disposal of property, plant and equipment	-	73
Impairment of goodwill	-	-

### NOTE 5 DIVIDENDS

	2011	2010
	\$000	\$000
<b>Ordinary shares</b>		
Dividends paid during the interim financial reporting period	-	-

### NOTE 6 EQUITY SECURITIES ISSUED

	Period ended		Period ended	
	2011	2010	2011	2010
	No. Shares	No. Shares	\$000	\$000
<b>Issues of ordinary shares during the financial year</b>				
Issued as part of Capital raising 1:1 offer	276,316,740	134,283,370	2,647	2,584
Issued as part of Employee Share Option Plan	2,750,000	-	55	-
Placement to Non-Executive Directors	5,000,000	-	100	-

## Notes to the preliminary consolidated financial statements (continued)

### NOTE 7 CAPITAL OPTIONS RESERVE

The consolidated entity has an ownership based remuneration scheme for senior executives under which performance based conditional share options are issued to senior executives at the discretion of the Board and are recognised in the financial statements when issued, the cost of which is based on an independent valuation as at the grant date and amortised over the vesting period of the share options.

	Period ended		Period ended	
	2011	2010	2011	2010
	No. Shares	No. Shares	\$000	\$000
<b>Performance rights</b>				
Granted as part of Employee share option plan	2,300,000	-	14	-

### NOTE 8 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2011	2010
	\$000	\$000
Cash at bank and on hand	1,494	1,101
<b>Total cash and cash equivalents</b>	<b>1,494</b>	<b>1,101</b>

#### Reconciliation to cash at the end of the year

The above figure is reconciled to the cash at the end of the financial year as shown in the statement of cash flows as follows:

Balance as above	1,494	1,101
Less: Bank overdrafts	-	-
<b>Balance as per statement of cash flows</b>	<b>1,494</b>	<b>1,101</b>

Included in the cash balance is a restricted amount of \$0.95 million (2010: \$0.9 million) that is held in a term deposit as security against HJB's bank guarantees.

### NOTE 9 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2011	2010
	\$000	\$000
Trade receivables	7,165	6,151
Provision for impairment of receivables	(4)	(21)
<b>Net trade receivables</b>	<b>7,161</b>	<b>6,130</b>
Income tax refund	-	18
Prepayments	229	172
Other receivables	45	82
<b>Total trade and other receivables</b>	<b>7,435</b>	<b>6,402</b>

Notes to the preliminary consolidated financial statements (continued)

NOTE 10 NON-CURRENT ASSETS - PROPERTY OFFICE FITOUT PLANT AND EQUIPMENT

	Property, Plant and equipment	Leasehold rectification	Office Fit out	Total
	\$000	\$000	\$000	\$000
<b>Year ended 30 June 2010</b>				
Opening net book amount	125	63	1,180	1,368
Additions	1	-	318	319
Disposals	(25)	-	(48)	(73)
Depreciation/amortisation charge	(19)	(48)	(317)	(384)
Impairment loss	-	-	-	-
<b>Closing net book amount</b>	<b>82</b>	<b>15</b>	<b>1,133</b>	<b>1,230</b>
<b>At 30 June 2010</b>				
Cost	459	309	4,454	5,222
Accumulated depreciation	(377)	(294)	(3,321)	(3,992)
<b>Net book amount</b>	<b>82</b>	<b>15</b>	<b>1,133</b>	<b>1,230</b>
<b>Year ended 30 June 2011</b>				
Opening net book amount	82	15	1,133	1,230
Additions	15	-	44	59
Disposals	-	(13)	-	(13)
Depreciation/amortisation charge	(20)	(2)	(203)	(225)
Impairment loss	-	-	-	-
<b>Closing net book amount</b>	<b>77</b>	<b>-</b>	<b>974</b>	<b>1,051</b>
<b>At 30 June 2011</b>				
Cost	474	296	4,498	5,268
Accumulated depreciation	(397)	(296)	(3,524)	(4,217)
<b>Net book amount</b>	<b>77</b>	<b>-</b>	<b>974</b>	<b>1,051</b>

NOTE 11 NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Goodwill \$000	Software \$000	Brandnames \$000	Contracts \$000	Total \$000
<b>Year ended 30 June 2010</b>					
Opening net book amount	7,213	211	-	-	7,424
Additions	-	-	-	-	-
Impairment	-	(74)	-	-	(74)
Amortisation charge	-	(56)	-	-	(56)
<b>Closing net book amount</b>	<b>7,213</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>7,294</b>
<b>At 30 June 2010</b>					
Cost	14,259	3,661	243	70	18,233
Accumulated amortisation and impairment	(7,046)	(3,580)	(243)	(70)	(10,939)
<b>Net book amount</b>	<b>7,213</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>7,294</b>
<b>Year ended 30 June 2011</b>					
Opening net book amount	7,213	81	-	-	7,294
Additions	-	8	-	-	8
Impairment	-	-	-	-	-
Amortisation charge	-	(66)	-	-	(66)
<b>Closing net book amount</b>	<b>7,213</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>7,236</b>
<b>At 30 June 2011</b>					
Cost	14,259	3,557	-	-	17,816
Accumulated amortisation and impairment	(7,046)	(3,534)	-	-	(10,580)
<b>Net book amount</b>	<b>7,213</b>	<b>23</b>	<b>-</b>	<b>-</b>	<b>7,236</b>

**Notes to the preliminary consolidated financial statements (continued)**

**NOTE 12 CURRENT LIABILITIES - TRADE AND OTHER PAYABLES**

	<u>2011</u>	<u>2010</u>
	<u>\$000</u>	<u>\$000</u>
Trade payables	313	1,104
<b>Other Payables</b>		
Employment costs	1,859	3,211
Goods & Services Tax	468	389
Expenses	320	212
	<u>2,647</u>	<u>3,812</u>
<b>Total current liabilities - trade and other payables</b>	<u>2,960</u>	<u>4,916</u>

**NOTE 13 CURRENT LIABILITIES - LEASE INCENTIVES**

	<u>2011</u>	<u>2010</u>
	<u>\$000</u>	<u>\$000</u>
Lease incentive	113	97
<b>Total current liabilities - lease incentive</b>	<u>113</u>	<u>97</u>

**NOTE 14 CURRENT LIABILITIES - TAX**

	<u>2011</u>	<u>2010</u>
	<u>\$000</u>	<u>\$000</u>
Current tax liability	-	-
<b>Total current liabilities - tax</b>	<u>-</u>	<u>-</u>

**NOTE 15 CURRENT LIABILITIES - PROVISIONS**

	<u>2011</u>	<u>2010</u>
	<u>\$000</u>	<u>\$000</u>
Employee benefits		
Annual leave	273	239
Long service leave	-	12
Onerous contract	-	-
<b>Total current liabilities provisions</b>	<u>273</u>	<u>251</u>

**NOTE 16 CURRENT LIABILITIES - BORROWINGS**

	<u>2011</u>	<u>2010</u>
	<u>\$000</u>	<u>\$000</u>
Secured		
Invoice financing facility	1,989	1,887
The invoice financing facility is secured by a fixed charge against the trade receivable of the company. This facility is subject to various covenants.		
Non-Secured		
Borrowings	350	350
<b>Total current liabilities borrowings</b>	<u>2,339</u>	<u>2,237</u>

**Notes to the preliminary consolidated financial statements (continued)**

**NOTE 17 NON-CURRENT LIABILITIES**

	<b>2011</b>	2010
	<b>\$000</b>	\$000
Lease incentive	684	813
Borrowings	-	350
Borrowings from associates	1,000	750
<b>Total non-current liabilities</b>	<b>1,684</b>	<b>1,913</b>

**NOTE 18 NON-CURRENT LIABILITIES - PROVISIONS**

	<b>2011</b>	2010
	<b>\$000</b>	\$000
Employee benefits		
Long service leave	43	46
Make good provision	296	296
<b>Total non-current liabilities provisions</b>	<b>339</b>	<b>342</b>

**NOTE 19 RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	<b>2011</b>	2010
	<b>\$000</b>	\$000
Profit / (loss) for the year	417	(2,590)
Depreciation and amortisation	291	440
Impairment of property, office fitout, plant & equipment	-	-
Impairment of Software & Database	-	74
Loss on disposal of property office fitout, plant and equipment	-	73
Write back of lease incentives	(113)	(155)
Shares Issued under Employee Share Plan	55	-
Share of profits of associates not received as dividend / distributions	-	-
Dividend, interest and management fees	-	-
(Increase)/decrease in trade debtors and other debtors	(1,032)	(1,916)
(Increase)/decrease in future income tax benefit	-	-
(Increase)/decrease in income tax refundable	(5)	(11)
(Increase)/decrease in other operating assets	(20)	34
Increase/(decrease) in provision for deferred income tax	-	-
Increase/(decrease) in trade and other creditors	(1,954)	1,229
Increase/(decrease) in provision for income tax payable	-	(43)
Increase/(decrease) in reserves	14	-
Increase/(decrease) in other provisions	18	(69)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(2,329)</b>	<b>(2,934)</b>

## Notes to the preliminary consolidated financial statements (continued)

### NOTE 20 COMMITMENTS

<b>Operating Leases</b>	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>

The Group leases various offices under non-cancellable operating leases expiring within two to ten years. These leases have varying terms.

The Group also leases various office equipment under cancellable leases expiring within two to five years. These leases have varying terms.

Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

Not later than one year	2,287	2,244
Later than one year but not later than 5 years	5,741	7,372
Later than 5 years	2,093	2,749
Commitments not recognised in the financial statements	<b>10,121</b>	<b>12,365</b>

### NOTE 21 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.

<b>Transactions with related parties:</b>	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
(i) Fees for Shared Tender Writer	(25)	3
(ii) Fees for Shared CEO	416	529
(iii) Fees for Centralised Finance Function	90	45
<b>Loans to / (from) associate</b>		
Beginning of the year	(750)	-
Loans received	(3,250)	(3,050)
Loan repayments made	3,115	2,351
Interest charged	(115)	(51)
End of Period	<b>(1,000)</b>	<b>(750)</b>

The interest charged of \$115k (2010: \$51k) relates to interest on loan advanced by Robertson & Smart Pty Ltd, the Australian subsidiary of the Charterhouse Group.

**Supplementary Appendix 4E information and other relevant disclosures**

	<b>2011 cents</b>	2010 cents
<b>(a) NTA backing</b>		
Net tangible asset backing per ordinary security	<b>0.4</b>	(0.4)

**(b) Details of controlled entities**

(i) Control gained over entities having material effect	N/A
(ii) Loss of control of entities having material effect	N/A

**(c) Dividends**

(i) Date the dividend is payable	N/A
(ii) Record date to determine entitlements to dividend	N/A

	Amount per share	Franked amount per share @ 30%	Amount per share of foreign source dividend
Final dividend: Current period	Nil	Nil	Nil
Final dividend: Previous period	Nil	Nil	Nil
Interim dividend: Current period	Nil	Nil	Nil
Interim dividend: Previous period	Nil	Nil	Nil
Special dividend: Current period	Nil	Nil	Nil
Special dividend: Previous period	Nil	Nil	Nil

Dividend Reinvestment Plan

The Company does not have a dividend reinvestment plan

**(d) Franking credits available and prospects for paying or partly franked dividends for at least the next year**

Franking credits available at 30 June 2011 are \$1,467,000 (2010: \$1,508,000) based on the 30% tax rate.

### **Commentary on results for the period**

Hamilton James & Bruce Group Limited returned a profit for the year ending 30 June 2011 of \$ 0.417 million. The loss for the corresponding period 30 June 2010 was \$2.590 million..

### **Earnings per share (EPS)**

As a result of the profit for the period the EPS was a positive 0.1 cents which should be compared with the negative EPS of 1.0 cents for the previous corresponding period.

### **Returns to shareholders**

The directors have recommended that no dividends be paid to shareholders in respect of the period ending 30 June 2011.

### **Significant features of operating performance**

The trading performance of Hamilton James and Bruce Group Limited (HJB) has improved considerably over the past 12 months. This is the first full financial year since the takeover, and your new board has delivered a profit for the first time in five years. The turnaround in performance, at a time when global trading conditions have often been unstable, has been due to a number of actions taken by the company.

The revenue from continuing operations has increased 14.6% over the corresponding period last year, primarily as a result of hiring, attracting and retaining high performing Recruitment Consultants and Recruitment Managers across all five of our offices in Brisbane, Parramatta, Sydney, Canberra and Melbourne. The Group has succeeded in attracting key talent and as a consequence has increased revenue whilst maintaining control of costs.

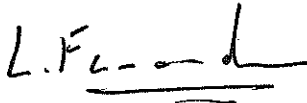
A focus on increasing margins has resulted in the gross revenue being more profitable per sales-dollar than in previous years, with a healthy increase in the Group contractor book and a significant increase in permanent placement revenue as a result of a focused strategy to hire consultants who specialise solely on permanent recruitment.

The Group recognises that the entire Australian recruitment sector is somewhat dependent on the health of global economic circumstances, however as a result of the actions detailed above, and barring any material deterioration in the global economy, the Group believes HJB should now be well placed to take full advantage of the relatively buoyant Australian economy.

## Compliance statement

- 1 This report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations or other standards acceptable to ASX.
- 2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed .
- 4 This report is based on financial statements to which one of the following applies:  
  

<input type="checkbox"/>	The accounts have been audited
<input type="checkbox"/>	The accounts have been subject to review
<input checked="" type="checkbox"/>	The accounts are in the process of being audited or subject to review
<input type="checkbox"/>	The accounts have not yet been audited or reviewed
- 5 The entity has a formally constituted audit committee.



**Lancelot Fernandes**  
Company Secretary

Sydney, 31 August 2011