

# FORM: Half year report

Name of issuer

ASCEND GROUP LTD

ACN or ARBN

69 114 162 631

Half yearly

(tick)

√

Preliminary

final (tick)

Financial year ended ('Current

period')

31/12/2007

## For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

		\$A
Revenue (item 1.1)		179,082
(Loss) for the period (item 1.9)		(81,521)
(Loss) for the period attributable to members of the parent (item 1.11)		(81,521)
<b>Dividends</b>	Current period	Previous corresponding period
Franking rate applicable:	N/A	N/A
<b>Final dividend</b> (preliminary final report only)(item 10.13-10.14)	N/A	N/A
Amount per security		
Franked amount per security		
<b>Interim dividend</b> (Half yearly report only) (item 10.11 – 10.12)	N/A	N/A
Amount per security		
Franked amount per security		
Short details of any bonus or cash issue or other item(s) of importance not previously released to the market:		
N/A		

## Comparison of half-year profits

(Preliminary final statement only)

		Current period - \$A	Previous corresponding period - \$A
2.1	Consolidated (loss) after tax attributable to members reported for the 1st half year ( <i>item 1.11</i> in the half yearly statement)	(81,521)	N/A
2.2	Consolidated (loss) after tax attributable to members for the 2nd half year	N/A	N/A

## Ratios

		Current period	Previous corresponding period
	<b>(Loss) before tax / revenue</b>	<b>(46%)</b>	<b>N/A</b>
8.1	Consolidated (loss) before tax ( <i>item 1.5</i> ) as a percentage of revenue ( <i>item 1.1</i> )		
	<b>(Loss) after tax / equity interests</b>		
8.2	Consolidated (loss) after tax attributable to members ( <i>item 1.11</i> ) as a percentage of equity (similarly attributable) at the end of the period ( <i>item 3.37</i> )	<b>(12%)</b>	<b>N/A</b>

## NTA Backing

(see note 7)

20.1		Current period	Previous corresponding period
	Net tangible asset backing per ordinary security	(1.53) cents/share	N/A

**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Act* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

N/A

2. This statement, and the financial statements under the *Corporations Act* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

The financial statements have been audited. ☒

The financial statements have been subject to review by a registered auditor (or overseas equivalent). ☐

☐ The financial statements are in the process of being audited or subject to review.

☐ The financial statements have *not* yet been audited or reviewed.

5. The *issuer* does not have a formally constituted audit committee.

Sign here: P. LeMessurier Date: 13th MARCH 2008  
(Director)

Print name: **Peter LeMessurier**

**ASCEND GROUP LIMITED and Controlled Entities**

# **2007 INTERIM FINANCIAL REPORTS**

**HALF YEAR ENDING 31 DECEMBER 2007**

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## CORPORATE DIRECTORY

### Directors

Douglas Peter LeMessurier  
 Alan Preston Beasley  
 William Cheng Wang  
 David Henty Sutton  
 John Hanson Boorne  
 Stephen Wee

### Secretary

Michael Derin

### Auditors

Duncan Dovico Chartered Accountants  
 Level 4  
 5-9 Harbourview Crescent  
 Milsons Point NSW 2061  
 AUSTRALIA

### Registered Office

Level 12  
 280 George Street  
 Sydney NSW 2000  
 AUSTRALIA

## **DIRECTORS REPORT**

Your directors present these interim financial reports of the company and its controlled entities for the half year ended 31<sup>st</sup> December 2007.

### **COMPANY DIRECTORS**

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

Douglas Peter LeMessurier – appointed 1<sup>st</sup> August 2007

Alan Preston Beasley – appointed 1<sup>st</sup> August 2007

David Henty Sutton – appointed 1<sup>st</sup> August 2007

John Hanson Boorne – appointed 1<sup>st</sup> August 2007

William Cheng Wang

Stephen Wee – appointed 5<sup>th</sup> October 2007

Michael Derin was appointed Company Secretary on 1<sup>st</sup> August 2007.

### **PRINCIPAL ACTIVITIES**

The company acts as a holding company. The subsidiaries of the company, include Ascend Asset Management Limited (A.C.N. 112 871 842) and Ascend Corporate Pty Limited (A.C.N. 129 341 877) as at the date of signing this report.

### **DIVIDENDS**

There were no dividends declared, paid or recommended to be paid during the financial period.

### **REVIEW OF OPERATIONS**

#### **PROFITABILITY**

The consolidated loss of the group for the interim period ended 31<sup>st</sup> December 2007 was \$81,521.

#### **FINANCIAL POSITION**

The consolidated net asset of the group is \$675,134 as at 31<sup>st</sup> December 2007, an increase of \$131,182 from 20<sup>th</sup> November 2007, when the Group entity was formed. This is due to:

- Issuance of additional shares during the interim period.

**DIRECTORS REPORT continued****SIGNIFICANT CHANGES IN STATE OF AFFAIRS***CHANGE OF COMPANY NAME*

The company changed its name from Powerplay Securities Limited to Ascend Group Limited on the 6<sup>th</sup> August 2007.

*COMPANY RESTRUCTURE & CHANGES TO EQUITY ISSUED*

On 1<sup>st</sup> August 2007 the following shares were transferred in full for \$1.00 per share from China Century Capital Limited to:

Alan Preston Beasley	4 ordinary shares
Douglas Peter LeMessurier	3 ordinary shares
John Hanson Boorne	3 ordinary shares

The transfer of shares did not result in a change to share capital of the company.

On 1<sup>st</sup> August 2007 the following shares were issued to:

Alan Preston Beasley      2 Ordinary Shares at \$1.00 per share fully paid

As a result the share capital issued increased from 10 ordinary shares fully paid at \$1.00 per share to 12 ordinary shares fully paid at \$1.00 per share. The total capital raised was \$2.00 and held as cash on hand.

On the 26<sup>th</sup> September 2007 the Members of Ascend Asset Management Limited approved by ordinary resolution at a General Meeting a proposal for a company restructure, whereby Ascend Group Limited (formerly named Powerplay Securities limited) will be interposed as a new holding company above Ascend Asset Management Limited.

On the 20<sup>th</sup> November 2007, an agreement was put into effect between Ascend Group Limited and Ascend Asset Management Limited based on the parties share and options agreements in accordance with the shareholder register at that date. The number of shares transferred on that date was 40,525,666 shares and attaching options. Ascend Group Limited now owns 40,525,672 shares and all attaching options over the shares issued to Ascend Asset Management Limited. The actual date of transfer of shares took place on 20<sup>th</sup> November 2007.

No consideration was paid between the parties as the consideration for the transfer of shares and options in Ascend Asset Management Limited by the Members of Ascend Asset Management Limited to Ascend Group Limited, the Members of Ascend Asset Management Limited will be issued a proportionate number of shares and options in Ascend Group Limited.

In addition to the issued shares and options to officers and employees at balance sheet date, on the 19<sup>th</sup> July 2007 an additional 13,300,000 unlisted options were approved by the directors and issued to the officers and employees under an existing employee share scheme arrangement in Ascend Asset Management Limited. These unlisted options have also been transferred between parties under the agreement for no consideration.

## DIRECTORS REPORT continued

At the date of signing the report, each Member of Ascend Asset Management Limited will hold the same percentage equity interest in Ascend Group Limited that the Members of Ascend Asset Management Limited held in that company before the restructure.

### PUBLIC MARKET LISTING

Ascend Group Ltd was admitted to the Newcastle Stock Exchange official list on 7<sup>th</sup> December 2007 and its securities commenced quotation on 20<sup>th</sup> December 2007. The board is now looking at the possibility of listing on the Australian Stock Exchange at a later date.

### DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

On 9<sup>th</sup> November 2007, the Product Disclosure Statement for the Ascend Escalation Fund was issued by Columbus Investment Services Ltd (ABN 58 106 064 644) as Responsible Entity of the Ascend Escalation Fund (ABN 113 297 684). The responsible entity was appointed by Ascend Asset Management Ltd (ACN 112 871 842) as the investment manager of the fund. This marked the official launch of the Ascend Escalation Fund and as such the fund is now fully operational. This represents a significant milestone and major achievement for the Group.

The Ascend Escalation Fund currently offers investors the opportunity to invest through the fund in three sub-funds being:

- ✓ The Ascend Seed Capital Fund
- ✓ The Ascend China Growth Fund
- ✓ The Ascend Small Resources Fund

### AFTER BALANCE DATE EVENTS

- On 16<sup>th</sup> January 2008, Ascend Group Limited issued 150,000 shares at \$0.25 per share with 150,000 attaching options to Columbus Investment Services Limited, the Responsible Entity of the Ascend Escalation Fund in recognition of services provided by that entity in setting up the Ascend Escalation Fund.
- On 16<sup>th</sup> January 2008, Ascend Group Limited announced an issue of bonus shares on the basis of one bonus share for every share held by a shareholder. The record date for calculating the bonus shares to be issued was Friday 8<sup>th</sup> February 2008 and 41,615,678 bonus shares were issued on this date.
- On 22<sup>nd</sup> January 2008, Ascend Corporate Pty limited was registered as a new entity with the Australian Securities & Investment Commission. The 1 share issued by Ascend Corporate Pty Ltd is 100% owned by Ascend Group Limited. Douglas Peter LeMessurier and Alice Mary LeMessurier, daughter of Douglas Peter LeMessurier, were appointed directors of Ascend Corporate Pty Ltd on 22<sup>nd</sup> January 2008. Alice Mary LeMessurier was appointed Company Secretary on 22<sup>nd</sup> January 2008. On 25<sup>th</sup> February 2008, Alice Mary LeMessurier resigned as Company Secretary and Michael Derin was appointed as Company Secretary.
- On 12<sup>th</sup> February 2008, John Hanson Boorne, William Chang Wang and David Henty Sutton resigned as Directors of Ascend Asset Management Limited. They remain Directors of Ascend Group Limited.



## AUDITORS INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the interim period ended 31<sup>st</sup> December 2007 is included in the Interim Financial Report and follows behind the directors' report.

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

A handwritten signature in black ink, appearing to read 'D. P. LeMessurier', written in a cursive style.

**Douglas Peter LeMessurier**

Director

Dated 13 March 2007

## AUDITORS' INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



DUNCAN DOVICO  
Chartered Accountants



ROSEMARY MEGALE  
Partner

Sydney,

Dated this *13th* day of *March* 2008

## CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Notes	\$
Revenue	2	179,082
Cost of Sale		<u>(2,129)</u>
Gross Profit		176,953
Other operating expenses	2	<u>(258,474)</u>
Loss before income tax		<u>(81,521)</u>
Income tax expense		-
Loss after income tax expense		<u>(81,521)</u>
Net Loss for the year		<u><u>(81,521)</u></u>
Basic earnings per share (cents per share)		<u><u>(0.88)</u></u>
Diluted earnings per share (cents per share)		<u><u>(0.88)</u></u>

The accompanying notes should be read in conjunction with these financial statements

## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2007

	Note	\$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents		415,197
Trade and Other Receivables		178,510
Held for Trading Assets		1,000
Other Current Assets		720,419
<b>TOTAL CURRENT ASSETS</b>		<u>1,315,126</u>
<b>NON CURRENT ASSETS</b>		
Financial Assets		345,881
Plant & Equipment		35,011
Intangible Assets		39,499
<b>TOTAL NON-CURRENT ASSETS</b>		<u>410,391</u>
<b>TOTAL ASSETS</b>		<u>1,725,517</u>
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables		1,050,383
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,050,383</u>
<b>TOTAL LIABILITIES</b>		<u>1,050,383</u>
<b>NET ASSETS</b>		<u><u>675,134</u></u>
<b>EQUITY</b>		
Issued Capital	3	811,131
Capital Raising costs		(31,301)
Revaluation Reserve		(8,146)
Retained Earnings/(Accumulated Losses)		(96,550)
<b>TOTAL EQUITY</b>		<u><u>675,134</u></u>

The accompanying notes should be read in conjunction with these financial statements

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	Share Capital \$	Capital Raising Costs \$	Revaluation Reserve \$	Retained Losses \$	Total \$
Balance at 20/11/07	576,131	-	-	(32,179)	543,952
Shares issued during the period	235,000	-	-	-	235,000
Revaluation adjustment	-	-	(8,146)	-	(8,146)
Capital raising costs incurred	-	(31,301)	-	-	(31,301)
Loss attributable to members	-	-	-	(64,371)	(64,371)
Balance at 31/12/07	811,131	(31,301)	(8,146)	(96,550)	675,134

The accompanying notes should be read in conjunction with these financial statements

## CONSOLIDATED CASH FLOW STATEMENT

### FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	54,025
Payments to suppliers and employees	(186,790)
Interest received	1,599
	<hr/>
<b>Net cash used in operating activities</b>	<b>(131,166)</b>
	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from loan receivable	45,393
	<hr/>
<b>Net cash provided by investing activities</b>	<b>45,393</b>
	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from other borrowings	100,000
Proceeds from issuance of shares	235,002
	<hr/>
<b>Net cash provided by financing activities</b>	<b>335,002</b>
	<hr/>
<b>Net increase in cash held</b>	<b>249,229</b>
	<hr/>
Cash at the beginning of the period	165,968
	<hr/>
<b>Cash at the end of the period</b>	<b>415,197</b>
	<hr/> <hr/>

The accompanying notes should be read in conjunction with these financial statements

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE HALF YEAR ENDED 31 DECEMBER 2007

#### Note 1: BASIS OF PREPARATION

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30<sup>th</sup> June 2007 and any public announcements made by Ascend Group Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied by the company and are consistent with those in the June 2007 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

#### *Reporting Basis and Conventions*

The half-year 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 financial liabilities for which the fair value basis of accounting has been applied.

#### *Comparative Figures*

Comparative figures have not been presented in the financial statements and corresponding notes on the basis that this is the first year the consolidated entity is required to present an interim financial report.

#### Note 2: LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period

	31/12/2007
	\$
<b>Revenue</b>	
Services Rendered	56,074
Interest Received	2,140
Other Income*	120,868
Total Revenue	<u>179,082</u>

\*Other income arose from the release of previously accrued consulting fees that are no longer payable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

## Note 2: LOSS FOR THE PERIOD continued

	31/12/2007
<b>Operating Expenses</b>	\$
Accounting & administration	17,840
Consulting fees - Key Management Personnel	47,500
Consulting fees - Other Personnel	49,449
Advertising	2,979
Product Development	25,000
Rent	8,500
Travel and accommodation	18,209
Legal expenses	35,554
Other expenses	53,443
<b>Total Operating Expenses</b>	<b>258,474</b>

## Note 3: CONTRIBUTED EQUITY

## Consolidated Entity

	No of Shares	\$
Acquisition Balance as at 20 <sup>th</sup> November 2007	40,525,678	576,131
Additional shares issued	940,000	235,000
	<b>41,465,678</b>	<b>811,131</b>
Capital Raising Costs		
Balance brought forward as at 20 <sup>th</sup> November 2007	-	
Incurred to 31 <sup>st</sup> December 2007	(31,301)	(31,301)
Closing Balance 31 <sup>st</sup> December 2007		<b>779,830</b>

## Note 4: DIVIDENDS

There have been no dividends declared or paid during the period of this report.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### Note 5: ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND RESTRUCTURING

On the 20<sup>th</sup> November 2007, Ascend Group Limited (formerly named Powerplay Securities limited) was interposed as a new holding company above Ascend Asset Management Limited.

The number of shares transferred on that date was 40,525,666 shares and attaching options. As consideration for the transfer of shares and options in Ascend Asset Management Limited by the Members of Ascend Group Ltd, the Members of Ascend Group Limited issued a proportionate number of shares and options in Ascend Group Limited. As a result, after the Restructure, each Member held the same percentage equity interest in Ascend Group Limited that the Member held in Ascend Asset Management Limited before the Restructure.

In addition to the issued shares and options to officers and employees at balance sheet date, on the 19<sup>th</sup> July 2007 an additional 6,800,000 options were issued at an exercise price of 30 cents, expiring on 31<sup>st</sup> December 2017 and 6,500,000 options were issued at an exercise price of 40 cents, expiring on 31<sup>st</sup> December 2017. These unlisted options were approved by the directors and issued to the officers and employees under an existing employee share scheme arrangement in Ascend Asset Management Limited. These unlisted options have also been transferred between parties under the agreement for no consideration.

Given that at the time the employee share options were issued, no publicly traded share price existed, the options were valued using the Net Tangible Assets method which gave rise to a nil value. Should the options have been valued using an underlying share price of \$0.25, being the value of off-market capital raisings, the 6,800,000 options would have been valued at \$0.052 per option and 6,500,000 options would have been valued at \$0.025 per option.

At half year end, management and control of the group rested with the subsidiary, Ascend Asset Management Limited. Subsequent to half year end, management and control reverted back to the parent entity, Ascend Group Limited. It is the Boards intention for Ascend Group Limited to retain management and control of the group, which has been further demonstrated by the addition of a further entity since half year end. As a result, the reconstruction of Ascend Asset Management Limited by Ascend Group Limited has been treated as a standard business combination, and not as a reverse acquisition.

The purchase price was allocated as follows:

	20/11/2007
<b>Operating Expenses</b>	\$
Purchase consideration	576,119
Cash consideration	-
Assets and liabilities acquired on reconstruction:	
Current assets	1,123,914
Non current assets	463,115
Current liabilities	(1,010,910)
	576,119
Goodwill on consolidation	-
<b>Total</b>	<b>576,119</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

The assets and liabilities arising from the reconstruction are recognised at fair value which is equal to their carrying value at the date of reconstruction.

Losses relating to Ascend Asset Management Limited amounting to \$41,752 are included in the consolidated income statement for the half year ended 31<sup>st</sup> December 2007. Had the results relating to Ascend Asset Management Limited been consolidated from 1<sup>st</sup> July 2007, consolidated losses of Ascend Asset Management Limited of \$783,565 would have been included in the consolidated half year accounts.

### Note 6: CONTINGENT LIABILITIES

There have been no changes in contingent liabilities since the last annual reporting date.

### Note 7: EVENTS OCCURRING SUBSEQUENT TO REPORTING DATE

- On 16<sup>th</sup> January 2008, Ascend Group Limited issued 150,000 shares at \$0.25 per share with 150,000 attaching options to Columbus Investment Services Limited, the Responsible Entity of the Ascend Escalation Fund in recognition of services provided by that entity in setting up the Ascend Escalation Fund.
- On 16<sup>th</sup> January 2008, Ascend Group Limited announced an issue of bonus shares on the basis of one bonus share for every share held by a shareholder. The record date for calculating the bonus shares to be issued was Friday 8<sup>th</sup> February 2008 and 41,615,678 bonus shares were issued on this date.
- On 22<sup>nd</sup> January 2008, Ascend Corporate Pty limited was as a new entity with the Australian Securities & Investment Commission. The 1 share issued by Ascend Corporate Pty Ltd is 100% owned by Ascend Group Ltd. Douglas Peter LeMessurier and Alice Mary LeMessurier daughter of Douglas Peter LeMessurier, were appointed directors of Ascend Corporate Pty Ltd on 22<sup>nd</sup> January 2008. Alice Mary LeMessurier was appointed Company Secretary on 22<sup>nd</sup> January 2008.
- On 12<sup>th</sup> February 2008, John Hanson Boorne, William Chang Wang and David Henty Sutton resigned as Directors of Ascend Asset Management Limited. They remain Directors of Ascend Group Limited.

## DIRECTORS DECLARATION

In accordance with the resolution of the Directors of Ascend Group Limited and Controlled Entities, I state that:

In the opinion of the Directors:

- a. The financial statements and notes of the Ascend Group Limited and Controlled Entities, as set out in the attached financial report, are in accordance with the Corporations Act 2001 and:
  - (i) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (ii) give a true and fair view of the financial position as at 31<sup>st</sup> December 2007 and of the performance for the period then ended on that date; and
- b. In the directors' opinion there are reasonable grounds to believe that the company and its controlling entities will be able to pay its debts as and when they become due and payable.

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



**Douglas Peter LeMessurier**

Director

Dated 13 March 2007

**ASCEND GROUP LIMITED AND CONTROLLED ENTITIES**  
**ACN: 69 114 162 631**

**Independent Auditor's review report**  
**to the members of Ascend Group Limited and Controlled Entities**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half – year financial report of Ascend Group Limited and Controlled Entities (the consolidated entity) which comprised the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

**Directors' Responsibility for the Half-Year Financial Report**

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagement ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Ascend Group Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirement relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matter that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Independence**

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Ascend Group Limited and Controlled Entities, would be the same terms if provided to the directors as at the date of this auditor's review report.

**Independent Auditor's review report  
to the members of Ascend Group Limited and Controlled Entities (Cont'd)**

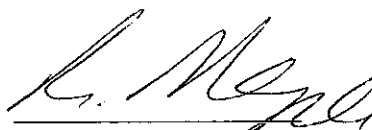
**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ascend Group Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair value of the consolidated entity's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



DUNCAN DOVICO  
Chartered Accountants



ROSEMARY MEGALE  
Partner

Sydney, 13<sup>th</sup> March, 2008