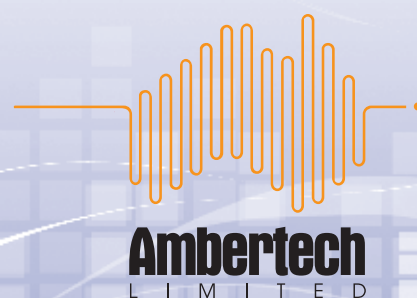


Annual Report

Annual Report for the year ended
30 June 2012

Ambertech Limited

ACN 079 080 158





Mission Statement



Corporate Mission

Ambertech Limited is an acknowledged leader in the identification, supply and distribution of advanced technologies for the Professional and Consumer audio/visual markets within the Oceania region.

Our purpose is to add significant operational value by developing and strengthening customer relationships, expanding horizons of opportunity and delivering strong and continuous financial growth to stakeholders, through our proven ability to integrate, implement and commercialise existing and emerging technologies.



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Chairman's and Managing Director's Review



Chairman's and Managing Director's Review

On behalf of the Board and the executive management, we present to you the Annual Report of Ambertech Limited for 2012.

Significant change and multiple challenges were the overriding themes of the 2011-12 financial year for Ambertech, and this is certainly reflected in the results being reported. The major factors that impacted the sales revenue for the year were:

- The compounding impact of issues relating to supply, quality control and feature set of a major product line during the year, outside of our control. These issues contributed to market share loss and margin erosion for our lifestyle segment. These issues have now been addressed;
- Continued caution with discretionary spend of retail consumers; and
- Deferral in capital equipment spending at major Australian broadcasters during the year.

The underlying results of the business included the following one off costs relating to the move of Ambertech's head office; restructure costs, a significant bad debt, and the impairment of goodwill. Despite the difficult trading, Ambertech remained operating cash flow positive for the financial year.

The 2012-13 financial year has begun with some pleasing results across our traditional market segments, including the announcement of a contract with the ABC for in excess of \$4m in revenue.

As a result, we are cautiously optimistic that we can deliver on our business strategies, which are focused on returning positive results for our investors in the short term. We expect to be able to update investors on revenue and profit forecasts at the time of holding the company's AGM.

The Board and management remain focused on utilizing the traditional strengths of the Ambertech business as a technical distributor to bring new products and brands to market and to redefine the methods and channels in which the business operates. These initiatives are underway and are the key drivers of future revenue and profit growth.

The Board of Directors would once again like to thank all management and staff for their contributions to the performance and development of the company during the year.



P F Wallace

Chairman



P A Amos

Managing Director

Lifestyle Entertainment



Lifestyle Entertainment Update

The 2011-12 financial year presented a continuation of tough economic conditions for our markets, and the compounding impact of issues relating to supply, quality control and feature set of a major product line. Despite this we were largely successful in maintaining or growing our market share with our major brands in their categories. This is as a result of a continued focus for the success of our brands in their respective markets, a defined strategy for growth and a continuation of the integrity in business which makes up our core values.



During the year our core business had some significant events which will lay the foundation for future revenue growth, including:

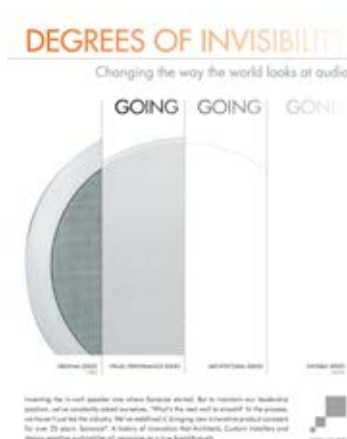


- Release to the market of the new range of Onkyo receivers which took the award winning, feature packed models and included network capability and introduced Spotify music streaming service to Australian Home Theatre Receivers. Onkyo also released an app based controller dedicated to providing more for the user.
- On the immediate horizon is a new Onkyo wireless dock which will transform any legacy home theatre receiver into a wireless receiver.
- Sonance business continued to grow with the success of their traditional high quality architectural speaker products and the new outdoor Landscape Series. The introduction of the iPort range of products and an updated go to market strategy has seen Sonance flourish.
- NHT speakers came to Amber Technology to be the pioneer of our online only sales model.

- A welcome addition to our portfolio of world class brands to satisfy the high bright projector and commercial flat panel market is Panasonic.
- One For All continued the domination of the replacement Universal Remote Control market and this year introduced the first Full HD Indoor Antenna's which have proven a success as the analogue switch off happens around the country.
- Another new addition to our portfolio is the fashionable headphone range from Zound Industries.
- Along the lines of fashion, we also introduced Pat Says Now cases and bags into the Australian market place



Our efforts continue to be supporting our customers and working with them to help their business grow.



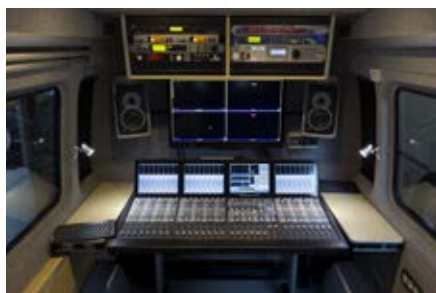
These events and others like them combine to give a positive feel throughout our sales force. We also see some early signs that business and consumer confidence may be returning. We expect when this does happen, we will be in prime position to take full advantage of opportunities that may arise.



Broadcast and Professional



Broadcast and Professional Update

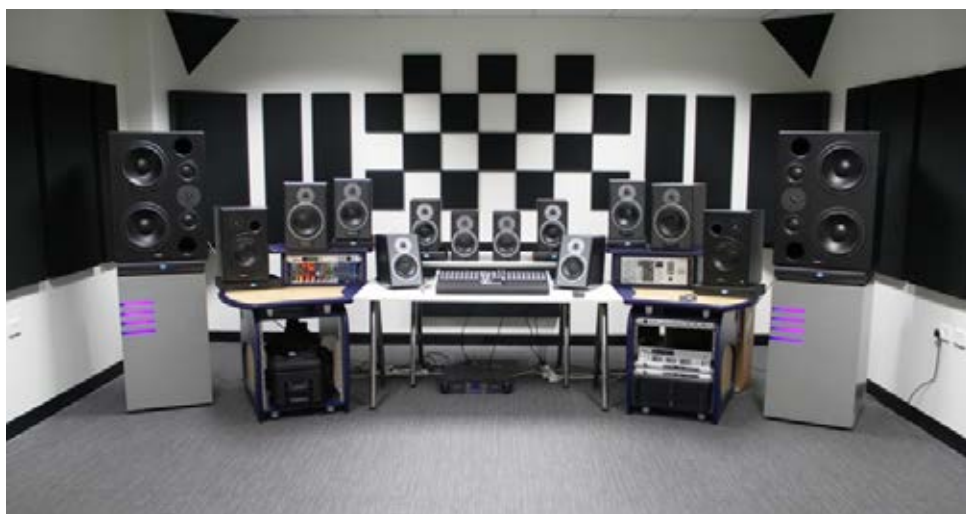


A number of factors affected performance during the year, which upon analysis led to some interesting observations and lessons to take forward into the new period. Key amongst these is:

- Our resellers have not been immune to the impact of the strong Australian Dollar, with the attendant problems of grey importing and internet purchasing from overseas. We have adjusted ordering and shipping policies to better compete, and are working actively with our major resellers to address the changing marketplace in online presence and purchasing.
- Uncertainty in the resources sector has resulted in several key projects being put on hold, with a resultant reduction in growth in some of our new development areas such as communications systems for the mining sector.
- We lost a major agency, caused by their consolidation with another company in the UK which already had an office and staff in Australia. They chose to continue with their own existing operation rather than with Amber as a local representative.
- Growth in our services revenues. The pressure on many of our key customers to improve efficiency and cut costs has led to a significantly increased demand for turnkey installation offerings and services provision rather than capital expenditure. Amber's Technical Services Group is well positioned to respond to these demands and showed a very satisfactory performance as a result.
- Our key product lines continue to show strength and stability, with good prospects for continued growth through diversification and expansion of their offerings.



Overall it has been a year of consolidation and transformation. Looking ahead we expect to see further consolidation of brands and are positioning ourselves to capitalise on this. We also seek to address the ongoing need for greater services provision, and to maximise throughput of distributed products in the face of overseas internet channels.



New Zealand



New Zealand Segment

Amber NZ finished the 2011-12 financial year with a profitable result, which was pleasing given the tough conditions that still remain across all markets in New Zealand.

Promising growth was seen in the AV/Custom Install market helped considerably by the Rugby World Cup (RWC) and the mini boom it created in Q2. Even so, sales were steady throughout the year with the North Island exceeding expectations. Several initiatives were implemented during the year with the most significant being the launch of Urbanears and Marshall Headphones from Zound Industries.

Complementing the addition of Zound Industries to our portfolio we have also launched the TEXCUS range of batteries, torches and chargers from Wentronics. The TEXCUS products complement our current activities and even in these early stages we are seeing strong commitment from our growing customer base.



Despite the stress of the grey market and parallel imported products the Pro Audio market was a steady performer. One project worthy of note was the purchase by "The Edge" (Home of The Aotea Centre, The Civic, Auckland Town Hall & Aotea Square) of DPA microphones and accessories.

This sale will be a supreme testimonial for our future performing arts sales.

During the year we also had our first major Prime Acoustics commercial installation take place with positive feedback from both installer and customer. Sales are growing steadily and we see a positive future for this agency.

EVS was responsible for our largest broadcast project this year. With New Zealand hosting the RWC, OSB needed an upgrade of EVS Live Slow Motion (LSM) systems. TVNZ refreshed all their Avid edit clients and also asked Amber to supply all their preferred 3rd party plug-ins and utility software.

After a long negotiation period Amber NZ is now the One For All (OFA) distributor for New Zealand and the Pacific Archipelago. This is a significant acquisition and gives the NZ operation a much stronger profile in the retail segment.



Our Business and Brands



Our business and brands

Ambertech's core business is the ownership and management of mostly exclusive distribution rights with leading manufacturers. Strong relationships with these manufacturers are pivotal to our success and have provided the basis for solid growth.

Ambertech's lifestyle entertainment business segment is a leader in the distribution of home theatre products and accessories to dealers, distribution and supply of custom installation components for home theatre and commercial installations to dealers and consumers, and the distribution of projection and display products with business and domestic applications.

Ambertech's professional business segment supplies product and services to television stations, radio stations, cinemas, post-production facilities, as well as military and education establishments. Being entirely business-to-business in nature, these divisions are unaffected by the potential volatility of consumer sentiment or retail sales trends.

In New Zealand Ambertech distributes of a wide range of quality products for both professional and consumer markets in New Zealand.

ONKYO

URBANEARS™

visual engineering
LIGHTWARE

DPA
MICROPHONES

Gefen

 PERCEPTIVE PIXEL

Vinten

EVS

Radial
engineering


COOL COMPONENTS
INCORPORATED

COLOUD™

trilogy

LEANARE
The Professional's Choice

TrickleStar™
Conserving energy. Improving life.

 **Optoma**


NEUTRIK

FOXTEL
digital

ONE
FOR ALL

 **iPort™**

Integra

tc electronic®


Videssence™

Panasonic
ideas for life

NÜVÖ®
Whole Home Audio


avid.com


Faith Guitars®

Solid State Logic
SOUND || VISION

Lumens™

audioquest

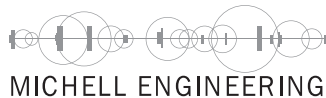
 **opticom**
an emcore company
travel by light®


snell

 **Streambox®**


SONANCE®


Liberty
AV SOLUTIONS
A SUBSIDIARY OF COMMUNICATIONS SUPPLY CORPORATION



Corporate Governance Statement



CORPORATE GOVERNANCE STATEMENT

This disclosure is made with reference to the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council in August 2007 as amended in 2010 ("the Principles"). Ambertech Limited has published on its website its Corporate Governance Summary and related Policies and Procedures, and in the explanations below references are made to those policies and procedures.

The Board sets out below its "if not why not" report in relation to those matters or corporate governance where the Company's practices depart from the Principles.

Principle		Current Practice	
1.1	Formalise and disclose functions reserved to the Board and those delegated to management.	✓	Outlined in the Ambertech Board Charter available from the investor section of the Ambertech website.
1.2	Disclose the process for evaluating the performance of senior executives.	✓	Outlined in the Corporate Governance Summary available from the investor section of the Ambertech website.
1.3	Disclose whether performance evaluation of senior executives has taken place in accordance with the disclosed process.	✓	Performance evaluations for the 2011/12 year for the Managing Director and CFO were completed in September 2012.
2.1	A majority of the Board should be independent directors.	✗	The Board has taken a view that independence extends to non-executive directors with less than 10% of issued capital, resulting in 3 out of 5 directors being considered "independent".
2.2	The chairperson should be an independent director.	✓	Satisfied.
2.3	Roles of the chairperson and the managing director should not be exercised by the same person.	✓	Satisfied.
2.4	The Board should establish a nomination committee.	✓	A copy of the Remuneration and Nomination Committee charter is available from the investor section of the Ambertech website.
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	✓	Outlined in the Corporate Governance Summary available from the investor section of the Ambertech website.
2.6	Companies should provide the information about the board specified in the reporting guide to Principle 2.	✓	Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, subject to approval of cost by the Chairman. Further information is contained in the Directors' Report and outlined in the Corporate Governance Summary available from the investor section of the Ambertech website.
3.1	Establish a code of conduct and disclose the code.	✓	A copy of the Code of Conduct is available from the investor section of the Ambertech website.
3.2	Establish a policy concerning diversity and disclose the code.	✓	A copy of the Diversity Policy is available from the investor section of the Ambertech website.
3.3	Disclose measureable objectives for achieving gender diversity and progress towards achieving them.	✓	Given the small size of Ambertech, the only measurable objective at this point is to increase gender diversity within the company as a whole rather than focus on change within discrete functional areas.
3.4	Disclose in the Annual Report the proportion of women employees in the whole organisation, in senior executive positions and on the Board.	✓	21.4% of Ambertech's employees are women. 12.5% of the senior executives are women. There are currently no women on the Board.

4.1	The Board should establish an audit committee.	✓	Satisfied.
4.2	Structure the audit committee so that it consists of only non-executive directors, a majority of independent directors, and the chairperson is independent and not the chair of the board and has at least three members.	✗	The Audit and Risk Management Committee has only two members as it would be inefficient for the structure of the board to have three members.
4.3	The audit committee should have a formal charter	✓	A copy of the Audit and Risk Management Committee Charter is available from the investor section of the Ambertech website.
4.4	Report on the above including names of members and qualifications, numbers and meetings and attendees in the annual report	✓	Information contained in the Directors' Report.
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing rule disclosure requirements and to ensure accountability at senior management level for that compliance.	✓	A copy of the Continuous Disclosure and Communications Policy is available from the investor section of the Ambertech website.
5.2	Post relevant disclosure policies on website and disclose any departures.	✓	Satisfied. See the Ambertech website.
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	✓	A copy of the Continuous Disclosure and Communications Policy is available from the investor section of the Ambertech website.
6.2	Use the company website to provide information, including webcasting, press releases and shareholder information by email.	✓	Satisfied. See the Ambertech website.
7.1	The Board or appropriate board committee should establish policies on risk oversight and management and disclose a summary of those policies.	✓	A copy of the Risk Management Policy is available from the investor section of the Ambertech website.
7.2	The Board should require management to design, implement and report against a risk management and control system.	✓	Satisfied.
7.3	The Board should disclose whether it has received assurance from the Managing Director/CFO that the declaration under Sec 295A of the Corporations Act is founded on a sound system of risk management and an effective system of identifying financial reporting risks.	✓	Satisfied. The Managing Director and CFO provide assurance to this effect to the Board.
7.4	Information specified in the guide on Principle 7 should be provided.	✓	Satisfied.
8.1	The Board should establish a Remuneration Committee.	✓	A copy of the Remuneration and Nomination Committee charter is available from the investor section of the Ambertech website.
8.2	Clearly distinguish the structure of non-executive director remuneration from that of executive directors and senior management	✓	Satisfied.
8.3	Information specified in the guide to Principle 8 should be provided.	✓	Information contained in the Directors' Report.

Financial Report



The directors present their report together with the financial statements of the consolidated entity consisting of Ambertech Limited and its controlled entities, ("company" or "economic entity") for the year ended 30 June 2012 and the auditor's report thereon.

DIRECTORS

The qualifications, experience and special responsibilities of each person who has been a director of the Company at any time during or since the end of the financial year are listed below, together with the details of the company secretary as at the end of the financial year. All directors were in office since the start of the year unless otherwise stated.

Information on directors

Peter Francis Wallace

Chairman - Non Executive Director

Member of the Audit and Risk Management Committee and Chairman of the Remuneration and Nomination Committee.

Peter Wallace is the founder and Managing Director of Endeavour Capital Pty Limited, an independent corporate advisory firm. Prior to establishing Endeavour Capital Pty Limited in 1998, he was an Investment Director with private equity company Hambro-Grantham. Mr Wallace has been a non-executive director of over 20 groups of companies.

Mr Wallace has a Bachelor of Commerce degree from the University of New South Wales and a Master of Business Administration degree from Macquarie University. He is a member of the Institute of Chartered Accountants, and a fellow of the Australian Institute of Company Directors.

Mr Wallace has been a director of Ambertech's Group companies since February 2000 and Chairman of Ambertech Limited since October 2002.

Peter Andrew Amos

Managing Director

Peter Amos graduated from Sydney Technical College (now University of Technology, Sydney) with a Radio Trade Certificate and from North Sydney Technical College with an Electronics Engineering Certificate. He joined Rank Electronics, the Company from which Ambertech was formed via a management buyout, as a technician in the mid 1970s, rising from Senior Technician to Service Manager. Upon the formation of Ambertech Limited, Mr Amos became Technical Director of the Ambertech Group. He also served in a senior role as Marketing Director of Quantum Pacific Pty Ltd, another company owned by the Ambertech Limited, until it was sold in the mid 1990s.

Mr Amos has served as Managing Director of Ambertech Limited since 1995 and presided over the growth of the Company since that date. Mr Amos has been a director of Ambertech's Group companies since 1987.

Thomas Robert Amos

Non-Executive Director

Tom Amos founded telecommunications consultancy Amos Aked Pty Limited in the early 1980s. His career in telecommunications and media spans over 30 years, during which time he has been involved in all facets of the industry. An engineer by profession, Mr Amos holds a B.E. (Electrical Engineering) degree from Sydney University.

Mr Amos has also been prominent in the telecommunication deregulation debate over a period of 15 years as a (former) director and Vice Chairman of Australian Telecommunications Users Group Limited ("ATUG") and as an industry commentator. He is a director of Wave Link Systems Pty Limited and Amos Aked Swift (NZ) Limited.

Mr Amos has been a director of Ambertech's Group companies since June 1997.

Edwin Francis Goodwin

Non-Executive Director

Chairman of the Audit and Risk Management Committee

Ed Goodwin holds a BSc in economics from London University and an MBA from Sydney University. In recent years he has been working in new venture finance, following 25 years in senior finance and business development roles primarily in the telecommunications industry.

Mr Goodwin has been a director of Ambertech's Group companies since June 1997.

David Rostil Swift

Non-Executive Director

Member of the Remuneration and Nomination Committee.

David Swift, who holds a B.E. (Electrical Engineering) degree from the University of NSW, has extensive experience in both the telecommunications and professional electronics industries. Mr Swift, a co-founder of Amos Aked Swift Pty Ltd and the founder of AAS Consulting Pty Ltd, is currently an independent telecommunications management and technology consultant operating in the Australasian Pacific region.

Mr Swift is also a Director and the Chairman of the Australian Telecommunications Users Group Limited (ATUG) and a Director of Amos Aked Swift (NZ) Limited. In addition to his consulting experience he has had significant management experience through senior positions with both Westpac Banking Corporation and Telecom Australia. Mr Swift has been a director of Ambertech's Group companies since June 1997.

Company Secretary

The following person held the position of Company Secretary at the end of the financial year: **Robert John Glasson**

Robert Glasson joined Ambertech Limited in July 2002 and also holds the position of Chief Financial Officer. He has a Bachelor of Business degree from the University of Technology, Sydney, and is a member of the Institute of Chartered Accountants in Australia. He was appointed to the role of Company Secretary on 1 November 2004.

CORPORATE INFORMATION

Nature of operations and principal activities

The principal activities of the economic entity during the financial year were the import and distribution of high technology equipment to the professional broadcast, film, recording and sound reinforcement industries; the import and distribution of home theatre products to dealers; distribution and supply of custom installation components for home theatre and commercial installations to dealers and consumers, and the distribution of projection and display products with business and domestic applications.

There have been no significant changes in the nature of these activities since the end of the financial year.

Employees

The consolidated entity employed 101 full time employees as at 30 June 2012 (2011: 109 employees).

REVIEW AND RESULTS OF OPERATIONS

The consolidated loss of the economic entity after providing for income tax for the financial year was (\$4,693,000). This was down from a profit after tax of \$126,000 in the previous period. Total revenues for the financial year decreased by 22.9% to \$51,407,000 (2010: \$66,703,000). Further information on the operations is included in the Chairman's and Managing Director's Report section of the Annual Report, and in the ASX Appendix 4E.

FINANCIAL POSITION

Despite a disappointing operating result the directors believe the economic entity is in a strong and stable financial position to expand and grow its current operations. The economic entity recorded positive operating cash flows of \$760,000 for the year ended 30 June 2012 in difficult trading conditions. Borrowings were increased by \$400,000 during the financial year whilst maintaining a healthy working capital ratio.

The economic entity's working capital, being current assets less current liabilities, has decreased by \$3,695,000 to \$12,843,000 as at 30 June 2012 (2011: \$16,538,000). The net assets of the economic entity have also decreased by \$4,677,000 to \$15,305,000 as at 30 June 2012 (2011: \$19,982,000). This change in net assets is largely due to the lower earnings recorded during the financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the economic entity during the financial year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 25 September 2012, the economic entity announced that it had signed a significant contract in the order of \$4,000,000 to be completed during the 2012-13 financial year.

Apart from the above, there are no matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect, the operations or the state of affairs of the economic entity in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

After a challenging 2011-12 financial year, the Board and management remain focused on utilising the traditional strengths of the Ambertech business as a technical distributor to bring new products and brands to market and to redefine the methods and channels in which the business operates. These initiatives are underway and are the key drivers of future revenue and profit growth.

The 2012-13 financial year has begun with some pleasing results across our traditional market segments. As a result, we are cautiously optimistic that we can deliver on our business strategies, which are focused on returning positive results to our investors in the short term.

ENVIRONMENTAL REGULATION

The company is subject to regulation by the relevant Commonwealth and State legislation. The nature of the company's business does not give rise to any significant environmental issues.

REMUNERATION REPORT (AUDITED)

The information provided below includes remuneration disclosures that are required under the Corporations Act 2001. The disclosures have been transferred from the financial report and have been audited.

Non-Executive Director Remuneration

Remuneration of non-executive directors is determined by the Remuneration and Nomination Committee. In determining payments to non-executive directors, consideration is given to market rates for comparable companies for time, commitment and responsibilities. The Remuneration and Nomination Committee reviews the remuneration of non-executive directors annually, based on market practice, duties and accountability.

Remuneration of non-executive directors comprises fees determined having regard to industry practice and the need to obtain appropriately qualified independent persons. Fees do not contain any non-monetary elements.

Executive Remuneration

Managing Director and Chief Financial Officer

Remuneration of the Managing Director and the Chief Financial Officer (CFO) is determined by the Remuneration and Nomination Committee. In this respect, consideration is given to normal commercial rates of remuneration for similar levels of responsibility. Remuneration comprises salaries, bonuses, contributions to superannuation funds and options.

The Managing Director and CFO receive an incentive element of their salary which is based on achievement of Key Performance Indicators (KPIs) relevant to their responsibilities. This includes a component that is based on the company's profit targets. The total incentive amounts payable are capped at a fixed rate rather than as a percentage of total remuneration.

KPIs are set annually by the Remuneration and Nomination Committee and based on company performance targets, and vary according to the roles and responsibilities of the executive. At the same time, these KPIs are aligned to reflect the common corporate goals such as growth in earnings and shareholders' wealth, and achievement of working capital targets. Performance against the KPIs is assessed annually by the Remuneration and Nomination Committee and recommendations for payments determined following the end of the financial year.

Other Executives

Approximately 5% of the aggregate remuneration of the senior sales executives comprises an incentive element which is related to the KPIs of those parts of the company's operations which are relevant to the executive's responsibilities. The senior sales executives may also receive a sales commission component, which will vary with the sales performance of those parts of the sales business for which they are responsible.

KPIs are set annually by the Remuneration and Nomination Committee, with a degree of consultation with executives to ensure their commitment. The measures are tailored to the areas of each executive's involvement and over which they have control. They are based on company performance targets, and at the same time, these KPIs are aligned to reflect the common corporate goals such as growth in earnings and shareholders' wealth, and achievement of working capital targets. Performance against the KPIs is assessed annually by the Remuneration and Nomination Committee and recommendations for payments determined following the end of the financial year.

REMUNERATION REPORT (continued)

The table below sets out the economic entity's key shareholder indicators for the past 5 financial

	2012	2011	2010	2009	2008
Dividends paid (cents per share)	-	0.5	5.5	3.5	7.0
Closing share price at 30 June (\$)	\$0.24	\$0.31	\$0.38	\$0.45	\$0.65
Share buy back (\$'000)	-	8	-	44	-
Net (loss) / profit after tax (\$'000)	(4,693)	126	1,606	1,806	3,179

Details of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of the economic entity are set out in the following tables.

The key management personnel of the economic entity includes the following:

Name	Position	Name	Position
P Wallace	Non-Executive Chairman	R Glasson	CFO, Company Secretary
P Amos	Managing Director	B Lee	General Manager, Lifestyle Entertainment
T Amos	Non-Executive Director	R Caston	General Manager, Broadcast & Professional
E Goodwin	Non-Executive Director	R McCleery	Director, Amber New Zealand
D Swift	Non-Executive Director	P Simmons	Business Development Manager, Lifestyle Entertainment (appointed on 1 July 2011)
		G Simeon	General Manager, Video & Audio Post Group (resigned on 19 August 2011)

Key management personnel are those directly accountable to the Managing Director and the Board and responsible for the operational management and strategic direction of the Company.

The nature and amount of each major element of the remuneration of each director of the economic entity and each of the key management personnel of the parent and the economic entity for the financial year are set out in the following tables.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Elements of Remuneration

<u>2012</u>	Short-term employment benefits		Post employment benefits	Share based payments	Total	% Performance Related	% Relating to Options
	Cash salary	Cash Bonus	Superannuation	Options			
Directors	\$	\$	\$	\$	\$		
P Amos	350,300	-	29,700	3,683	383,683	0.0%	1.0%
P Wallace	55,046	-	4,954	-	60,000	0.0%	0.0%
T Amos	32,111	-	2,890	-	35,001	0.0%	0.0%
E Goodwin	32,111	-	2,890	-	35,001	0.0%	0.0%
D Swift	32,231	-	2,770	-	35,001	0.0%	0.0%
	501,799	-	43,204	3,683	548,686	0.0%	0.7%
Executives							
R Glasson	174,312	-	15,688	36	190,036	0.0%	0.0%
B Lee	285,090	-	15,120	36	300,246	0.0%	0.0%
R Caston	156,459	4,359	13,934	36	174,788	2.5%	0.0%
P Simmons	147,957	11,058	12,988	-	172,003	6.4%	0.0%
G Simeon *	58,495	-	1,921	-	60,417	0.0%	0.0%
R McCleery	109,111	-	-	36	109,147	0.0%	0.0%
	931,424	15,417	59,651	144	1,006,637	1.5%	0.0%

* Represents remuneration from 1 July 2011 to 19 August 2011

<u>2011</u>	Short-term employment benefits		Post employment benefits	Share based payments	Total	% Performance Related	% Relating to Options
	Cash salary	Cash Bonus	Superannuation	Options			
Directors	\$	\$	\$	\$	\$		
P Amos	350,279	-	29,725	7,787	387,791	0.0%	2.0%
P Wallace	55,046	-	4,954	-	60,000	0.0%	0.0%
T Amos	32,111	-	2,890	-	35,001	0.0%	0.0%
E Goodwin	32,111	-	2,890	-	35,001	0.0%	0.0%
D Swift	32,111	-	2,890	-	35,001	0.0%	0.0%
	501,658	-	43,349	7,787	552,794	0.0%	1.4%
Executives							
R Glasson	174,317	-	15,689	838	190,844	0.0%	0.4%
B Lee	168,000	-	15,120	838	183,958	0.0%	0.5%
R Caston	156,459	21,968	15,518	838	194,783	11.3%	0.4%
G Simeon	151,377	11,818	14,688	-	177,883	6.6%	0.0%
R McCleery	107,334	-	-	838	108,172	0.0%	0.8%
	757,487	33,786	61,015	3,352	855,640	3.9%	0.4%

REMUNERATION REPORT (continued)

Service agreements

An executive agreement exists between Peter Amos, the Managing Director, and Amber Technology Limited. This agreement provides that Mr Amos, for a period of 12 months from the date of termination, will not engage in activities in competition with the Amber Group. There is a notice period by either party of 12 months.

The agreement commenced on 31 May 1999 and continues indefinitely. In the event that the company was to exercise its right to terminate the contract, the current payout value would be \$380,000.

Share based compensation

Ambertech has adopted an Employee Share Option Plan (ESOP). The Board of Directors may determine the executives and eligible employees who are entitled to participate in the ESOP.

The options issued under the ESOP will expire 5 years after the issue date, or earlier on any of the following events:

- a the eligible employee is dismissed with cause or has breached a restriction contained in his/her employment contract;
- b the eligible employee dies while in the employ of the Company;
- c the eligible employee is made redundant by the Company;
- d the eligible employee's employment with the Company is voluntarily terminated by the eligible employee; or
- e the eligible employee's employment terminates by reason of normal retirement.

The total number of shares reserved for issuance under the ESOP, together with shares reserved for issuance under any other Option Plan, shall not exceed 5% of the diluted ordinary share capital in the Company (comprising all Shares, all Options issued under the ESOP and under any other Option Plan, and all other convertible issued securities).

The ESOP provides the Board with the ability to determine the exercise price of the options, the periods within which the options may be exercised, and the conditions to be satisfied before the option can be exercised.

The ESOP provides for adjustments in accordance with ASX Listing Rules if there is a capital reconstruction, a rights issue or a bonus issue.

The number of options on issue to directors and key executives at the date of this report is outlined in the following tables. There were no options issued during or since the end of the financial year.

Options Granted

	Grant Details			For the financial year ended 30 June 2012						Overall	
	Grant Date	No	Value \$	Exercised No	\$	Lapsed No	\$	Vested No	Vested %	Unvested %	Lapsed %
Directors											
P Amos	7/12/2004	400,000	116,913	-	-	100,000	14,370	-	100	-	75
				-	-	100,000	14,370	-			
Executives											
R Glasson	7/12/2004	50,000	18,369	-	-	5,000	718	-	100	-	100
B Lee	7/12/2004	50,000	18,369	-	-	5,000	718	-	100	-	100
R Caston	7/12/2004	50,000	18,369	-	-	5,000	718	-	100	-	100
R McCleery	7/12/2004	50,000	18,369	-	-	5,000	718	-	100	-	100
				-	-	20,000	2,872	-			

When exercisable, each option is convertible into one ordinary share on a 1:1 basis.

REMUNERATION REPORT (continued)

There have been no shares issued during or since the end of the financial year as a result of exercise of options. During the financial year 125,000 options lapsed.

In relation to bonus issues, each outstanding option confers on the option holder the right to receive, on exercise of those outstanding options, not only one share for each of the outstanding options exercised but also the additional shares the option holder would have received had the option holder participated in that bonus issue as a holder of ordinary shares.

The assessed fair value at offer date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at offer date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

End of Remuneration Report

Interests of Directors

At the date of this report the following interests were held by directors:

Director	Ordinary Shares	Options over
		Ordinary Shares
P Wallace	236,528	-
P Amos	4,313,843	100,000
T Amos	5,484,625	-
E Goodwin	2,883,556	-
D Swift	2,995,826	-

DIVIDENDS

Dividends paid or declared by the Company to members since the end of the previous financial year were:

Dividend Type	Record Date	Payment Date	Cents per share	Franking %	Tax rate
<i>Declared and paid during the year ended 30 June 2012:</i>					
Nil				100%	30%

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Audit and Risk Management Committee Meetings		Nomination and Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
P Wallace	11	11	4	4	2	2
P Amos	11	11	-	-	-	-
T Amos	11	11	-	-	-	-
E Goodwin	11	11	4	4	-	-
D Swift	11	11	-	-	2	2

NON-AUDIT SERVICES

It is the economic entity's policy to employ BDO East Coast Partnership (BDO) (formerly PKF East Coast Practice (PKF)) for assignments additional to their annual audit duties, when BDO's expertise and experience with the economic entity are important. During the year these assignments comprised primarily tax compliance assignments. The Board of Directors is satisfied that the auditors' independence is not compromised as a result of providing these services because:

- All non-audit services have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- None of the services undermines the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditors' own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing economic risks and rewards.

During the year fees that were paid or payable for services provided by the auditor of the parent entity and its related practices as disclosed at note 27.

The directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 11.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
DIRECTORS' REPORT

INDEMNIFICATION OF OFFICERS

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

ROUNDING

The company is an entity to which Class Order 98/100 applies and, in accordance with this class order, amounts in this report and the financial statements have been rounded off to the nearest thousand dollars unless otherwise indicated.

Signed in accordance with a resolution of directors.

Director:



P F Wallace



P A Amos

Dated this 27th day of September 2012.

Sydney



INDEPENDENT AUDITOR'S REPORT

To the members of Ambertech Limited

Report on the Financial Report

We have audited the accompanying financial report of Ambertech Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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.

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 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 about 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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 Ambertech 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 Ambertech Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2012 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 financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 8 of the directors' report for the year ended 30 June 2012. 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 Ambertech Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

A handwritten signature in dark ink, appearing to read 'AM', is written over the printed name 'Arthur Milner'.

Arthur Milner
Partner

Sydney, 27 September 2012



DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF AMBERTECH LIMITED

As lead auditor of Ambertech Limited for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect Ambertech Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'A Milner', is written over a light blue horizontal line.

Arthur Milner

Partner

BDO Audit East Coast Partnership

Sydney, 27 September 2012

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	Economic Entity	
		2012 \$'000	2011 \$'000
Revenue	3	51,407	66,703
Cost of sales	4	<u>(36,196)</u>	<u>(47,541)</u>
Gross profit		15,211	19,162
Other income	3	19	-
Employee benefits expense	4	(9,363)	(11,206)
Distribution costs		(1,314)	(1,483)
Marketing costs		(1,704)	(1,551)
Premises costs		(1,954)	(2,162)
Depreciation and amortisation expenses	4	(245)	(272)
Finance costs		(438)	(461)
Travel costs		(552)	(648)
Restructure costs		(555)	-
Impairment of goodwill		(2,970)	-
Relocation expenses		(274)	-
Other expenses		<u>(1,108)</u>	<u>(1,221)</u>
(Loss) / Profit before income tax expense	4	(5,247)	158
Income tax benefit / (expense)	5	<u>554</u>	<u>(32)</u>
(Loss) / Profit for the year		<u>(4,693)</u>	<u>126</u>
Other comprehensive income			
Exchange differences on translation of foreign operations		<u>12</u>	<u>(52)</u>
Total comprehensive income for the year		<u>(4,681)</u>	<u>74</u>
Earnings per share			
Basic earnings per share (cents)	25	<u>(15.4)</u>	<u>0.4</u>
Diluted earnings per share (cents)	25	<u>(15.4)</u>	<u>0.4</u>

The consolidated statement of comprehensive income is to be read in conjunction with the attached notes.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

		Economic Entity	
	Note	2012 \$'000	2011 \$'000
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	23	2,495	3,134
Trade and other receivables	6	6,841	13,128
Current tax assets	7	133	326
Inventories	8	<u>12,550</u>	<u>13,571</u>
TOTAL CURRENT ASSETS		<u>22,019</u>	<u>30,159</u>
NON-CURRENT ASSETS			
Plant and equipment	10	1,969	380
Intangible assets	11	45	3,054
Deferred tax assets	5	<u>1,428</u>	<u>866</u>
TOTAL NON-CURRENT ASSETS		<u>3,442</u>	<u>4,300</u>
TOTAL ASSETS		<u>25,461</u>	<u>34,459</u>
<u>LIABILITIES</u>			
CURRENT LIABILITIES			
Trade and other payables	12	4,839	9,493
Other financial liabilities	13	3,427	3,000
Provisions	14	<u>910</u>	<u>1,128</u>
TOTAL CURRENT LIABILITIES		<u>9,176</u>	<u>13,621</u>
NON-CURRENT LIABILITIES			
Provisions	14	801	804
Other financial liabilities	13	121	-
Deferred tax liabilities	5	<u>58</u>	<u>52</u>
TOTAL NON-CURRENT LIABILITIES		<u>980</u>	<u>856</u>
TOTAL LIABILITIES		<u>10,156</u>	<u>14,477</u>
NET ASSETS		<u>15,305</u>	<u>19,982</u>
<u>EQUITY</u>			
Share capital	15	11,138	11,138
Reserves	16	(118)	(116)
Retained earnings		<u>4,285</u>	<u>8,960</u>
TOTAL EQUITY		<u>15,305</u>	<u>19,982</u>

The consolidated statement of financial position is to be read in conjunction with the attached notes.

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Share Capital \$'000	Option Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Economic Entity					
Balance as at 30 June 2010	11,146	86	(92)	8,917	20,057
Total comprehensive income for the year	-	-	(52)	126	74
Transactions with equity holders:					
Shares bought back during the year	(8)	-	-	-	(8)
Costs of share based payments	-	(58)	-	70	12
Dividends	-	-	-	(153)	(153)
Total transactions with equity holders	(8)	(58)	-	(83)	(149)
Balance as at 30 June 2011	11,138	28	(144)	8,960	19,982
Total comprehensive income for the year	-	-	12	(4,693)	(4,681)
Transactions with equity holders:					
Shares bought back during the year	-	-	-	-	-
Costs of share based payments	-	(14)	-	18	4
Dividends	-	-	-	-	-
Total transactions with equity holders	-	(14)	-	18	4
Balance as at 30 June 2012	11,138	14	(132)	4,285	15,305

The consolidated statement of changes in equity is to be read in conjunction with the attached notes.

AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

		Economic Entity	
		2012	2011
	Note	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		62,649	67,397
Payments to suppliers and employees		(58,236)	(59,834)
Interest received		52	20
Interest and other costs of finance paid		(438)	(461)
Income taxes paid		(132)	(538)
Income taxes refunded		325	361
Goods and services tax remitted		<u>(3,460)</u>	<u>(4,822)</u>
Net cash provided by operating activities	23	<u>760</u>	<u>2,123</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(1,785)	(82)
Payments for intangible assets - website		<u>(13)</u>	<u>(125)</u>
Net cash (used in) investing activities		<u>(1,798)</u>	<u>(207)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid to shareholders		-	(153)
Proceeds from borrowings		400	-
Payments for shares bought back		-	(8)
Repayment of borrowings		<u>-</u>	<u>(1,700)</u>
Net cash provided by / (used in) financing activities		<u>400</u>	<u>(1,861)</u>
Net (decrease) / increase in cash and cash equivalents held		(638)	55
Cash and cash equivalents at beginning of year		3,134	3,090
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies at the beginning of the financial year		<u>(1)</u>	<u>(11)</u>
Cash and cash equivalents at end of year	23	<u>2,495</u>	<u>3,134</u>

The consolidated statement of cash flows is to be read in conjunction with the attached notes.

NOTE 1: INTRODUCTION

The financial statements cover the consolidated entity consisting of Ambertech Limited and its controlled entities. Ambertech Limited is a company limited by shares, incorporated and domiciled in Australia.

Operations and principal activities

Ambertech is a distributor of high technology equipment to the professional broadcast, film, recording and sound reinforcement industries and of consumer audio and video products in Australia and New Zealand.

Currency

The financial statements are presented in Australian dollars and rounded to the nearest one thousand dollars.

Registered office

Unit 1, 2 Daydream Street, Warriewood NSW 2102.

Authorisation of financial statements

The financial statements were authorised for issue on 27 September 2012 by the Directors. The company has the power to amend the financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Overall Policy

The principal accounting policies adopted in the preparation of these consolidated financial statements are stated in order to assist in a general understanding of the financial statements. The financial statement is a general purpose financial statement prepared in accordance with Australian Accounting Standards and the Corporations Act 2001. The economic entity is a for profit entity.

Statement of Compliance

The financial statements comply with Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the economic entity comply with International Financial Reporting Standards (IFRS).

Going Concern

The economic entity's financing facility expires on 30 November 2012, and negotiations to renew the facility cannot occur until results for the period to 30 September 2012 are known. In addition, the economic entity made a loss after tax for the year ended 30 June 2012 of \$4,693,000. Notwithstanding the loss, the economic entity had positive operating cash flows for the year ended 30 June 2012 of \$760,000.

After taking into account all of the available information, including the following factors:

- Interim results for the period to 31 August 2012 has exceeded budget;
- Redundancy, restructure and relocation costs incurred during the financial year are not expected to reoccur;
- The economic entity's debts will be paid as and when they fall due based on the cashflow and profit forecasts prepared by management;
- The Professional segment has secured a major contract in excess of \$4,000,000 to be delivered in the 2012-13 financial year;
- The Lifestyle Entertainment segment has been restructured to reduce fixed costs and overheads, providing ongoing savings; and
- An indicative offer of funding on a debtor financing arrangement has been received,

The directors have concluded that there are reasonable grounds to believe that the basis for the preparation of the financial statements on a going concern basis is appropriate.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Overall Policy (continued)

Accounting Standards not Previously Applied

The economic entity has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current period. Disclosures required by these Standards that are deemed material have been included in these financial statements on the basis that they represent a significant change in information from that previously made available.

- (i) AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (effective from 1 January 2011)
- (ii) AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (effective from 1 January 2011)
- (iii) AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (effective from 1 July 2011)
- (iv) AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113] (effective from 1 July 2011)

New Accounting Standards issued but not yet effective

The following standards, amendments to standards and interpretations have been identified as those which may impact the economic entity in the period of initial application. They are available for early adoption at 30 June 2012, but have not been applied in preparing these financial statements.

- (i) AASB 9 Financial Instruments (effective from 1 January 2015)
- (ii) AASB 10 Consolidation (effective from 1 January 2013)
 - (a) power over the investee;
 - (b) exposure, or rights, to variable returns from its involvement with the investee; and
 - (c) the ability to use its power over the investee to affect the amount of the investor's
- (iii) AASB 12 Disclosure of Interests in Other Entities (effective from 1 January 2013)

AASB 12 provides the disclosure requirements for entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. As such, it pulls together and replaces disclosure requirements from many existing standards.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Overall Policy (continued)

New Accounting Standards issued but not yet effective (continued)

(iv) AASB 13 Fair Value Measurement (effective from 1 January 2013)

AASB 13:

- (a) defines fair value;
- (b) sets out in a single IFRS a framework for measuring fair value; and
- (c) requires disclosures about fair value measurements.

(v) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (effective from 1 January 2013)

(vi) AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124] (effective from 1 July 2013)

(vii) AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132] (effective from 1 January 2013)

(viii) AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective from 1 January 2014)

(ix) AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2] (effective from 1 January 2013)

(b) Significant Judgements and Key Assumptions

Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the ageing of receivables, historical collection rates, and specific knowledge of the individual debtors' financial position.

Estimated useful life of assets

The economic entity determines the estimated useful life and related depreciation and amortisation charges for plant and equipment and definite life of intangible assets. This is in accordance with the accounting policy stated in note 2(h).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Judgements and Key Assumptions (continued)

Impairment of goodwill

The economic entity tests annually whether goodwill has suffered any impairment and is in accordance with accounting policy stated in note 2(j). These calculations require the use of assumptions, and are described further in note 11.

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Warranty provision

In determining the level of provision required for warranties, the economic entity has made judgements in respect of the expected performance of the product, expected customer claims and costs of fulfilling the conditions of warranty.

(c) Consolidation Policy

A controlled entity is any entity controlled by Ambertech Limited. Control exists where Ambertech Limited has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Ambertech Limited to achieve the objectives of Ambertech Limited. Details of the controlled entities are contained at note 9.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

(d) Revenue Recognition

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of goods and services to entities outside the economic entity.

Sale of goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership have been transferred to the buyer. In most cases this coincides with the transfer of legal title, or the passing of possession to the buyer.

Rendering of services

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue

Interest revenue is recognised as it accrues using the effective interest method.

Dividend revenue

Dividends are recognised as income as they are received, net of any franking credits.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits at call with banks or financial institutions, investments in money market instruments maturing within less than three months, and bank overdrafts.

(f) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement between 30 and 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the economic entity will not be able to collect all amounts due according to the original terms of the receivables.

(g) Inventories

Inventories include finished goods and stock in transit and are measured at the lower of weighted average cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(h) Plant and Equipment

Plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Plant and equipment is depreciated over estimated useful life taking into account estimated residual values. The straight line method is used.

Plant and equipment is depreciated from the date of acquisition or, in respect of leasehold improvements, from the time the asset is completed and ready for use. The depreciation rates used for each class of plant and equipment remain unchanged from the previous year and are as follows:

<u>Class of Asset</u>	<u>Useful life</u>
Plant and equipment	3-8 years
Furniture and fittings	3-8 years
Leasehold improvements	Term of the lease
Leased plant and equipment	Term of the lease

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the plant and equipment or cash generating units to which the plant and equipment belong are written down to their recoverable amount.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Intangible Assets

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment. Goodwill is allocated to cash generating units and is not subject to amortisation, but tested annually for impairment (refer to note 2(j)).

Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised.

Website Costs

Significant costs associated with website costs are deferred and amortised on a straight-line basis over the period of their expected benefit, being a finite life of 3 years.

(j) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

If there is evidence of impairment for any of the company's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the economic entity's weighted average cost of capital. The loss is recognised in the statement of comprehensive income.

(k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the economic entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(m) Service Warranties

Provision is made for the estimated liability on all products still under warranty at balance date.

(n) Leases

(i) Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(ii) Finance leases

Lease payments, where substantially all the risks and benefits incidental to the ownership of the leased asset transfer from the lessor to the lessee, are allocated between the principal component of the lease liability and the finance costs. Leased assets acquired under a finance lease are depreciated over the term of the lease.

(o) Share Based Payments

Options issued over ordinary shares are valued using a pricing model which takes into account the option exercise price, the current level and volatility of the underlying share price, the risk free interest rate, the expected dividends on the underlying share, the current market price of the underlying share and the expected life of the option.

Information relating to these schemes is set out in note 21.

The value of the options is recognised in an option reserve until the options are exercised, forfeited or expire.

(p) Employee Benefits

Short term employee benefits are employee benefits (other than termination benefits and equity compensation benefits) which fall due wholly within 12 months after the end of the period in which employee services are rendered. They comprise wages, salaries, commissions, social security obligations, short-term compensation absences and bonuses payable within 12 months and non-mandatory benefits such as car allowances.

The undiscounted amount of short-term employee benefits expected to be paid is recognised as an expense.

Other long-term employee benefits include long-service leave payable 12 months or more after the end of the financial year.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

Ambertech Limited and its Australian wholly owned controlled entities have implemented the tax consolidation legislation.

The head entity, Ambertech Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a 'stand-alone taxpayer' in its own right.

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits are immediately transferred to the head entity. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement will be recognised as either a contribution by, or distribution to the head entity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Foreign Currency Translation

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating to the exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

(s) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the year but not distributed at balance date.

(v) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed.

(w) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(x) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Derivatives are classified as current according to expected period of realisation.

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	Economic Entity	
	2012	2011
	\$'000	\$'000
NOTE 3: REVENUE		
Revenue		
- Sale of goods and services	51,355	66,683
- Interest received	52	20
	<u>51,407</u>	<u>66,703</u>
Other income		
- Net foreign exchange gains	19	-
	<u>19</u>	<u>-</u>
NOTE 4: EXPENSES		
Additional information on the nature of expenses		
Inventories		
Cost of sales	36,196	47,541
Movement in provision for inventory obsolescence	191	18
Employee benefits expense		
Salaries and wages	8,907	10,704
Employee termination expense	456	502
	<u>9,363</u>	<u>11,206</u>
Depreciation		
Plant and equipment	123	139
Furniture and fittings	29	26
Leasehold improvements	34	66
Leased plant and equipment	7	-
	<u>193</u>	<u>231</u>
Amortisation		
Website costs	52	41
Bad and doubtful debts	16	163
Rental expense on operating leases:		
Minimum lease payments	1,193	1,315
Net foreign exchange losses	-	57
Net loss on disposal of plant and equipment	3	1
Net fair value (loss) / gain on derivative financial instruments - forward exchange contracts	(18)	45

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	Economic Entity	
	2012	2011
	\$'000	\$'000
NOTE 5: INCOME TAX		
Major components of income tax expense		
Current income tax	-	213
Under provision in prior years	2	1
Deferred tax	(556)	(182)
Income tax (benefit) / expense	(554)	32
Reconciliation between income tax expense and prima facie tax on accounting (loss) / profit		
(Loss) / Profit before income tax expense	(5,247)	158
Tax at 30% (2011:30%)	(1,575)	47
Tax effect of non deductible expenses		
- Entertainment	9	13
- Impairment charge	735	-
- Other items	275	(29)
Under provision for income tax in prior years	2	1
Income tax (benefit) / expense	(554)	32
Applicable tax rate		
The applicable tax rate is the national tax rate in Australia.		
Analysis of deferred tax assets		
Employee benefits	438	443
Plant and equipment	29	148
Intangible assets	11	5
Accrued expenses	32	119
Allowance for doubtful accounts	55	7
Provision for obsolescence	129	73
Inventory	22	14
Unrealised foreign currency loss	15	-
Tax losses	675	-
Other	22	57
	1,428	866
Analysis of deferred tax liabilities		
Leases	57	50
Other	1	2
	58	52

Tax consolidated group

Ambertech Limited is head entity in a tax consolidated group. The tax consolidated legislation has been applied in respect of the year ended 30 June 2012.

Ambertech Limited has entered into a tax sharing agreement with Amber Technology Limited and Alphan Pty Limited. The tax sharing agreement allows for an allocation of income tax expense to members of the group on the basis of taxable income.

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	Economic Entity	
	2012	2011
	\$'000	\$'000
NOTE 6: TRADE AND OTHER RECEIVABLES		
Current		
Trade accounts receivable (a)	6,825	12,704
Provision for impairment of receivables (b)	<u>(186)</u>	<u>(26)</u>
	6,639	12,678
Other receivables (a)	56	228
Derivative financial instruments - forward exchange contracts	-	45
Prepayments	<u>146</u>	<u>177</u>
	<u>6,841</u>	<u>13,128</u>
(a) Current trade and other receivables are non-interest bearing loans, generally between 30 and 60 day terms. A provision for impairment is recognised when there is objective evidence that a trade or other receivable is impaired. These amounts have been included in the other expenses item.		
(b) Movement in the provision for impairment of receivables is as follows:		
Current trade receivables		
Opening balance	26	121
Charge for the year	176	68
Amounts written off	<u>(16)</u>	<u>(163)</u>
Closing balance	<u>186</u>	<u>26</u>
(c) The economic entity's exposure to credit risk and impairment losses related to trade and other receivables is disclosed at note 24.		

NOTE 7: CURRENT TAX ASSETS

The current tax asset in the economic entity of \$133,000 (2011: \$326,000) represents the amount of income tax recoverable in respect of current and prior years that arise from the payment of tax in excess of amounts due to the relevant tax authority.

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	Economic Entity	
	2012 \$'000	2011 \$'000
NOTE 8: INVENTORIES		
Current		
Finished goods	12,255	12,952
Stock in transit	<u>728</u>	<u>861</u>
	12,983	13,813
Provision for obsolescence	<u>(433)</u>	<u>(242)</u>
	<u>12,550</u>	<u>13,571</u>

NOTE 9: CONTROLLED ENTITIES

Entity	Country of Incorporation	Percentage Owned	
		2012	2011
Parent Entity			
- Ambertech Limited	Australia		
Subsidiaries of Ambertech Limited			
- Amber Technology Limited	Australia	100%	100%
Subsidiaries of Amber Technology Limited			
- Alphan Pty Limited	Australia	100%	100%
- Amber Technology (NZ) Limited	New Zealand	100%	100%

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NOTE 10: PLANT AND EQUIPMENT

Non-Current

	Gross Carrying Amount		Accumulated depreciation		Net carrying amount	
	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Economic Entity						
Plant and equipment	1,258	1,743	(1,004)	(1,451)	254	292
Furniture and fittings	482	392	(232)	(320)	250	72
Leasehold improvements	1,345	768	(33)	(752)	1,312	16
Leased plant and equipment	169	10	(16)	(10)	153	-
Total plant and equipment	<u>3,254</u>	<u>2,913</u>	<u>(1,285)</u>	<u>(2,533)</u>	<u>1,969</u>	<u>380</u>

Reconciliation of carrying amounts:

	Plant and equipment \$'000	Furniture and fittings \$'000	Leasehold improvements \$'000	Leased plant and equipment \$'000	Total \$'000
2012					
Economic Entity					
Balance at the beginning of the year	292	72	16	-	380
Additions	85	210	1,330	160	1,785
Disposals	-	(3)	-	-	(3)
Depreciation and amortisation expense	<u>(123)</u>	<u>(29)</u>	<u>(34)</u>	<u>(7)</u>	<u>(193)</u>
Carrying amount at the end of the year	<u>254</u>	<u>250</u>	<u>1,312</u>	<u>153</u>	<u>1,969</u>

	Plant and equipment \$'000	Furniture and fittings \$'000	Leasehold improvements \$'000	Leased plant and equipment \$'000	Total \$'000
2011					
Economic Entity					
Balance at the beginning of the year	368	93	70	-	531
Additions	65	5	12	-	82
Disposals	(2)	-	-	-	(2)
Depreciation and amortisation expense	<u>(139)</u>	<u>(26)</u>	<u>(66)</u>	<u>-</u>	<u>(231)</u>
Carrying amount at the end of the year	<u>292</u>	<u>72</u>	<u>16</u>	<u>-</u>	<u>380</u>

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	Economic Entity	
	2012	2011
	\$'000	\$'000
NOTE 11: INTANGIBLE ASSETS		
Non-Current		
Goodwill at cost (a)	2,970	2,970
Less impairment	(2,970)	-
	-	2,970
Website at cost (b)	138	125
Less accumulated amortisation	(93)	(41)
	45	84
	45	3,054

(a) Goodwill

(i) Impairment tests for goodwill

Goodwill is allocated to the economic entity's Cash Generating Units (CGUs) defined according to business segment and country of operation.

A segment level summary of the goodwill allocation is presented below:

	Australia	New Zealand	Total
	\$'000	\$'000	\$'000
2012			
Lifestyle Entertainment	-	-	-
Professional	-	-	-
New Zealand	-	-	-
	-	-	-
2011			
Lifestyle Entertainment	1,963	-	1,963
Professional	963	-	963
New Zealand	-	44	44
	2,926	44	2,970

(ii) Key assumptions for value in use calculations

The recoverable amount of each CGU is determined based on value in use calculations. Value in use is calculated based on the present value of cash flow projections over a 5 year period plus a terminal value based on a detailed financial budget approved by management and the board of directors. The cash flows are discounted using the post-tax weighted average cost of capital at the beginning of the budget period.

The following assumptions were used in the value in use calculations:

CGU	Growth Rate		Discount Rate	
	2012	2011	2012	2011
Lifestyle Entertainment	4.1%	3.0%	12.2%	11.3%
Professional	3.8%	3.0%	12.2%	11.3%
New Zealand	3.0%	3.0%	12.2%	11.3%

The growth rates applied in the cash flow projections represent management's best estimate of likely economic conditions for the forecast periods beyond the current Board approved budget.

NOTE 11: INTANGIBLE ASSETS (continued)

Non-Current

(iii) Impact of possible changes in key assumptions

In determining the value in use of a CGU, management applied sensitivity analysis to the discount rate to ensure that the recoverable amount of the CGU's exceeds its carrying amount. Discount rates between 11.32% and 13.05% (2011: 10.46% and 12.10%) were used for this purpose.

Accordingly, goodwill of \$2,970,000 has been impaired and is reflected in the Statement of Comprehensive Income.

Reconciliation of written down values:

	Goodwill \$'000	Website \$'000	Total \$'000
Opening balance at 1 July 2011	2,970	84	3,054
Additions	-	13	13
Impairment	(2,970)	-	(2,970)
Amortisation expense	-	(52)	(52)
Closing balance at 30 June 2012	-	45	45

Economic Entity

2012 2011
\$'000 \$'000

NOTE 12: TRADE AND OTHER PAYABLES

Current

Trade accounts payable	2,990	7,320
Other accounts payable	1,831	2,173
Derivative financial instruments - forward exchange contracts	18	-
	<u>4,839</u>	<u>9,493</u>

Amounts payable in foreign currencies:

Trade accounts payable:		
- US Dollars	1,201	1,398
- British Pounds	84	375
- Euro	667	79
- Swiss Francs	205	185
- New Zealand Dollars	155	140
- Japanese Yen	10	56
	<u>2,322</u>	<u>2,233</u>

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	Economic Entity	
	2012 \$'000	2011 \$'000
NOTE 13: OTHER FINANCIAL LIABILITIES		
Current		
Bills payable (a)	3,400	3,000
Lease Liability (b)	<u>27</u>	<u>-</u>
	<u>3,427</u>	<u>3,000</u>
Non Current		
Lease Liability (b)	<u>121</u>	<u>-</u>

Details of the economic entity's exposure to interest rate changes on other financial liabilities are outlined in note 24.

The fair value of the financial liabilities approximates their carrying value.

(a) Bills payable

Bills payable are part of a multi-option borrowing facility that includes flexible overdraft and commercial bill components. The economic entity breached covenants in relation to the facility during the year and as such is subject to monthly reporting to its lenders. Subsequent to year end, the facility was renewed with amended covenants in place. The facility has an expiry date 30 November 2012.

The facility is secured by a charge over the assets of Amber Technology Limited. Guarantees are in place to a limit of \$4,800,000 (2011:\$6,500,000). The value of assets at balance date is \$26,462,000 (2011: \$32,952,000).

(b) Lease liability

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

NOTE 14: PROVISIONS

Current

Service warranty	244	244
Lease make good	-	210
Employee benefits	<u>666</u>	<u>674</u>
	<u>910</u>	<u>1,128</u>

Non Current

Employee benefits	<u>801</u>	<u>804</u>
	<u>801</u>	<u>804</u>

(a) Service warranty

Provision is made for the estimated warranty claims in respect of products sold which are still under warranty at balance date. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(b) Movements in provisions

Movements in provisions, other than employee benefits are set out below:

	Service warranty \$'000	Lease make good \$'000	Total \$'000
Opening balance at 1 July 2011	244	210	454
Additional provision recognised	237	-	237
Reductions resulting from payments	<u>(237)</u>	<u>(210)</u>	<u>(447)</u>
Closing balance at 30 June 2012	<u>244</u>	<u>-</u>	<u>244</u>

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NOTE 15: SHARE CAPITAL

	Economic Entity		Economic Entity	
	2012	2011	2012	2011
	Shares	Shares	\$'000	\$'000
Ordinary Shares fully paid (no par value)	<u>30,573,181</u>	<u>30,573,181</u>	<u>11,138</u>	<u>11,138</u>
Details		No of shares		\$'000
Balance 30 June 2011		30,573,181		11,138
Shares bought back		-		-
Balance 30 June 2012		<u>30,573,181</u>		<u>11,138</u>

Share Buy Back

On 2 September 2005, the company announced an on-market buy back of up to 1,543,150 ordinary shares on issue. The buy back is a part of the company's capital management and is designed to improve shareholder returns. During the year ended 30 June 2012 the company bought back nil shares (2011: 25,000) shares.

	Economic Entity	
	2012	2011
	\$'000	\$'000
Foreign currency translation reserve (a)	(132)	(144)
Share based payments reserve (b)	<u>14</u>	<u>28</u>
	<u>(118)</u>	<u>(116)</u>

For an explanation of movements in reserve accounts refer to Statement of Changes in Equity.

Nature and purpose of reserves

- (a) Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve as described in note 2(s). The reserve is recognised in profit and loss when the net investment is disposed of.
- (b) Share based payments reserve
The share based payments reserve is used to recognise the fair value of options issued but not exercised.

NOTE 17: CAPITAL & LEASING COMMITMENTS

(a) Operating lease commitments

Payable:

Not later than 1 year	867	986
Later than 1 year but not later than 5 years	5,011	342
Later than 5 years	<u>8,124</u>	<u>-</u>
Minimum lease payments	<u>14,002</u>	<u>1,328</u>

The Warriewood property lease is a non-cancellable lease ending on 13 January 2023, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased at review dates at 3.75% per annum.

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Economic Entity	
2012	2011
\$'000	\$'000

NOTE 18: CONTINGENT LIABILITIES

Estimates of the maximum amounts of contingent liabilities that may become payable:

- Bank guarantees by Amber Technology Limited in respect of various property leases

685	540
<u>685</u>	<u>540</u>

No material losses are anticipated in respect of any of the above contingent liabilities.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

On 25 September 2012, the economic entity announced that it had signed a significant contract in the order of \$4,000,000 to be completed during the 2012-13 financial year.

Apart from the above, there are no matters that have arisen since the end of financial year that have significantly affected, or may significantly affect, the operations or the state of affairs of the economic entity in future financial years.

NOTE 20: RELATED PARTY TRANSACTIONS

Key management personnel compensation

Key management personnel comprises directors and other persons having authority and responsibility for planning, directing and controlling the activities of the economic entity.

Economic Entity	
2012	2011
\$	\$

Summary

- Short term employee benefits	1,448,640	1,292,931
- Post employment benefits	102,855	104,364
- Share based payments	<u>3,827</u>	<u>11,139</u>
	<u>1,555,323</u>	<u>1,408,434</u>

Transactions with related parties

The following transactions occurred with related parties:

- Payment for services from associate	50,540	60,000
- Payment for on-line marketing consulting services (director-related entity of Thomas Amos and Edwin Goodwin)	42,000	-
- Trade payables for on-line marketing consulting services (director-related entity of Thomas Amos and Edwin Goodwin)	<u>6,000</u>	<u>-</u>
	<u>98,540</u>	<u>60,000</u>

The company has taken advantage of the relief provided by Corporations Regulation 2M.6.04 and information required to be disclosed by AASB 124 paragraphs Aus25.4 to Aus 25.7.2 in respect of the remuneration of key management personnel is presented in the Directors' Report.

NOTE 21: SHARE BASED PAYMENT ARRANGEMENTS

The Board may determine the executives and eligible employees who are entitled to participate. The options expire 5 years after vesting or earlier in the event of dismissal, death, termination, redundancy or retirement of the employee.

During the financial year, 125,000 options lapsed (2011: 200,000) and no options were forfeited (2011: Nil). There were no options exercised during the financial year.

The fair value of the options as at the date issued was determined with reference to the market price.

In relation to bonus issues, each outstanding option confers on the option holder the right to receive, on exercise of those outstanding options, not only one share for each of the outstanding options exercised but also the additional shares the option holder would have received had the option holder participated in the bonus issue as a holder of ordinary shares.

						Number of Options over Ordinary Shares	
						2012	2011
Employee Share Option Plan							
Held by employees at the beginning of the year						225,000	425,000
Held by employees at the end of the year						100,000	225,000
Exercisable at the end of the year						100,000	225,000
Set out below are summaries of options granted under the plan:							
Date Granted	Exercise Period Start	Exercise Period Finish	Exercise Price	Balance at start of year	Lapsed/ Forfeited during year	Balance at end of year	Exercisable at end of year
2012							
7/12/2004	30/09/2006	30/09/2011	\$1.35	125,000	(125,000)	-	-
7/12/2004	30/09/2007	30/09/2012	\$1.35	100,000	-	100,000	100,000
				225,000	(125,000)	100,000	100,000
Weighted average exercise price				\$1.35	\$1.35	\$1.35	\$1.35
2011							
7/12/2004	30/09/2005	30/09/2010	\$1.20	125,000	(125,000)	-	-
7/12/2004	31/12/2005	31/12/2010	\$1.20	25,000	(25,000)	-	-
7/12/2004	31/03/2006	31/03/2011	\$1.20	25,000	(25,000)	-	-
7/12/2004	30/06/2006	30/06/2011	\$1.20	25,000	(25,000)	-	-
7/12/2004	30/09/2006	30/09/2011	\$1.35	125,000	-	125,000	125,000
7/12/2004	30/09/2007	30/09/2012	\$1.35	100,000	-	100,000	100,000
				425,000	(200,000)	225,000	225,000
Weighted average exercise price				\$1.28	\$1.20	\$1.35	\$1.35

The weighted average remaining contractual life of share options outstanding at the end of the period was 0.25 years (2011: 0.70 years).

NOTE 22: SEGMENT REPORTING

(a) Description of segments

Management has determined the operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The economic entity comprises the following operating segments:

Professional	Distribution of high technology equipment to professional broadcast, film, recording and sound reinforcement industries.
Lifestyle Entertainment	Distribution of home theatre products to dealers, distribution and supply of custom installation components for home theatre and commercial installations to dealers and consumers, and the distribution of projection and display products with business and domestic applications.
New Zealand	Distribution of a wide range of quality products for both professional and consumer markets in New Zealand.

(b) Segment information

2012	Professional \$'000	Lifestyle Entertainment \$'000	New Zealand \$'000	Eliminations \$'000	Economic Entity \$'000
Revenue					
- Total segment revenue	19,516	29,342	2,497	-	51,355
- Inter-segment revenue	210	-	-	(210)	-
Revenue from external customers	<u>19,726</u>	<u>29,342</u>	<u>2,497</u>	<u>(210)</u>	<u>51,355</u>
Result					
- Underlying EBIT	57	(1,068)	87	-	(924)
- Impairment charge	(963)	(1,963)	(44)	-	(2,970)
- Segment EBIT	<u>(906)</u>	<u>(3,031)</u>	<u>43</u>	<u>-</u>	<u>(3,894)</u>
- Unallocated / corporate result					(967)
- EBIT					(4,861)
- Net interest and finance costs					(386)
- Loss before income tax					(5,247)
- Income tax benefit					554
- Loss for the year					<u>(4,693)</u>
Assets					
- Segment Assets	<u>6,407</u>	<u>13,835</u>	<u>1,295</u>	<u>-</u>	21,537
- Unallocated/corporate assets					3,924
- Total assets					<u>25,461</u>
Liabilities					
- Segment Liabilities	<u>2,234</u>	<u>2,399</u>	<u>378</u>	<u>-</u>	5,011
- Unallocated/corporate liabilities					5,145
- Total liabilities					<u>10,156</u>
Other					
- Acquisition of non current segment assets	717	1,075	6	-	1,798
					<u>1,798</u>
- Depreciation and amortisation of segment assets	93	140	12	-	245
					<u>245</u>

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NOTE 22: SEGMENT REPORTING (continued)

2011	Professional	Lifestyle	New Zealand	Eliminations	Economic
	\$'000	Entertainment	\$'000	\$'000	Entity
		\$'000	\$'000	\$'000	\$'000
Revenue					
- Total segment revenue	26,238	38,385	2,060	-	66,683
- Inter-segment revenue	251	-	-	(251)	-
Revenue from external customers	<u>26,489</u>	<u>38,385</u>	<u>2,060</u>	<u>(251)</u>	<u>66,683</u>
Result					
- Segment EBIT	846	306	(164)	-	988
- Unallocated / corporate result					(389)
- EBIT					599
- Net interest and finance costs					(441)
- Profit before income tax					158
- Income tax expense					(32)
- Profit for the year					<u>126</u>
Assets					
- Segment Assets	<u>12,099</u>	<u>16,644</u>	<u>1,271</u>	<u>-</u>	30,014
- Unallocated/corporate assets					<u>4,445</u>
- Total assets					<u>34,459</u>
Liabilities					
- Segment Liabilities	<u>6,653</u>	<u>2,879</u>	<u>278</u>	<u>-</u>	9,810
- Unallocated/corporate liabilities					<u>4,667</u>
- Total liabilities					<u>14,477</u>
Other					
- Acquisition of non current segment assets	81	122	4	-	<u>207</u>
					<u>207</u>
- Depreciation and amortisation of segment assets	105	158	9	-	<u>272</u>
					<u>272</u>

NOTE 22: SEGMENT REPORTING (continued)

(c) Segment information on geographical region

	Segment Revenues from Sales to External Customers		Carrying Amount of Segment Assets		Acquisition of Non- Current Assets	
	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical Location						
- Australia	48,858	64,623	20,242	28,743	1,792	204
- New Zealand	<u>2,497</u>	<u>2,060</u>	<u>1,295</u>	<u>1,271</u>	<u>6</u>	<u>3</u>
	<u>51,355</u>	<u>66,683</u>	<u>21,537</u>	<u>30,014</u>	<u>1,798</u>	<u>207</u>

(d) Other segment information

(i) Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenues and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories and property, plant and equipment and goodwill. All remaining assets of the economic entity are considered to be unallocated assets. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings.

Segment assets and liabilities do not include income taxes.

(ii) Intersegment Transfers

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity. These transfers are eliminated on consolidation.

Economic Entity	
2012	2011
\$'000	\$'000

NOTE 23: CASH FLOW INFORMATION

(i) Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise of the following amounts:

Cash on hand	3	3
At call deposits with financial institutions	2,492	3,131
	<u>2,495</u>	<u>3,134</u>

(ii) Reconciliation of net cash provided by / (used in) operating activities to profit or loss after income tax

(Loss) / Profit for the year	(4,693)	126
Depreciation and amortisation	245	272
Impairment of goodwill	2,970	-
Net loss on disposal of plant and equipment	3	1
Foreign exchange (gains) / losses	(19)	57
Non-cash share based payments	4	12
Changes in operating assets and liabilities		
Decrease/(Increase) in trade and other receivables	6,291	(5,344)
Decrease in inventories	1,032	2,480
Decrease in tax receivable	311	368
(Decrease)/Increase in payables	(4,756)	4,173
Increase in lease liabilities	149	-
(Decrease)/Increase in provisions	(221)	160
(Increase) in deferred taxes	(556)	(182)
Net cash provided by operating activities	<u>760</u>	<u>2,123</u>

(iii) Non Cash Financing and Investing Activities

There were no non-cash financing or investing activities during the financial year.

NOTE 24: FINANCIAL RISK MANAGEMENT

The economic entity's financial risk management policies are established to identify and analyse the risks faced by the business, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the economic entity's activities.

The economic entity's activities expose it to a wide variety of financial risks, including the following:

- credit risk
- liquidity risk
- market risk (including foreign currency risk and interest rate risk)

This note presents information about the economic entity's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk and how the economic entity manages capital.

Liquidity and market risk management is carried out by a central treasury department (Group Treasury) in accordance with risk management policies. The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board, through the Audit and Risk Management Committee, oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks.

The economic entity uses derivative financial instruments such as foreign exchange contracts to hedge certain risk exposures. Derivatives are used exclusively for hedging purposes. The economic entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Credit Risk

Credit risk is the risk of financial loss to the economic entity if a customer or the counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the economic entity's receivables from customers. The maximum exposure to credit risk is the carrying amount of the financial assets.

Trade and other receivables

Exposure to credit risk is influenced mainly by the individual characteristics of each customer. The customer base consists of a wide variety of customer profiles. New customers are analysed individually for creditworthiness, taking into account credit ratings where available, financial position, past experience and other factors. This includes major contracts and tenders approved by executive management. Customers that do not meet the credit policy guidelines may only purchase using cash or recognised credit cards. The general terms of trade for the economic entity are between 30 and 60 days.

In monitoring credit risk, customers are grouped by their debtor ageing profile. Monitoring of receivable balances on an ongoing basis minimises the exposure to bad debts.

Impairment allowance

The impairment allowance relates to specific customers, identified as being in trading difficulties, or where specific debts are in dispute. The impairment allowance does not include debts past due relating to customers with a good credit history, or where payments of amounts due under a contract for such customers are delayed due to works in dispute and previous experience indicates that the amount will be paid in due course.

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Economic Entity
2012 **2011**
\$'000 **\$'000**

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

The ageing of trade receivables at the reporting date was:

Not past due	3,156	8,530
Past due up to 30 days	2,347	3,571
Past due 31-60 days	331	442
Past due 61 days and over	805	135
Total trade receivables not impaired	6,639	12,678
Trade receivables impaired	186	26
Total trade receivables	6,825	12,704

The economic entity does not have other receivables which are past due (2011: Nil).

Liquidity Risk

Liquidity risk is the risk that the economic entity will not be able to meet its financial obligations as they fall due. The economic entity's policy for managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity (cash reserves and banking facilities) to meet its liabilities when due, under both normal and stressed conditions. The objective of the policy is to maintain a balance between continuity of funding and flexibility through the use of bank facilities.

The economic entity monitors liquidity risk by maintaining adequate cash reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The table below summarises the maturity profile of the economic entity's financial liabilities based on contractual undiscounted payments:

Contractual Cash Flows

	Less than 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	More than 12 months \$'000	Total \$'000
Economic Entity					
2012					
Trade and other payables	4,839	-	-	-	4,839
Commercial Bills	3,400	-	-	-	3,400
Lease Liability	6	7	14	121	148
	8,245	7	14	121	8,387
Economic Entity					
2011					
Trade and other payables	9,493	-	-	-	9,493
Commercial Bills	3,000	-	-	-	3,000
Lease Liability	-	-	-	-	-
	12,493	-	-	-	12,493

The economic entity also has a number of premises under operating lease commitments. The future contracted commitment at year end is disclosed at note 17.

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

Market Risk

Market risk is the risk that changes in market prices will affect the economic entity's income or the value of its holdings of financial instruments. The activities of the economic entity expose it primarily to the financial risks of changes in foreign currency rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the returns.

Foreign Currency Risk

The economic entity operates internationally and is primarily exposed to currency risk on inventory purchases denominated in a currency other than the functional currency of the economic entity. Where appropriate, the economic entity uses forward exchange contracts to manage its foreign currency exposures.

The board has adopted a policy requiring management of the foreign exchange risk against the functional currency. The economic entity is required to hedge the exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts. The amount of foreign currency denominated payables outstanding at balance date is disclosed at note 12.

In order to protect against exchange rate movements, the economic entity has entered into forward foreign exchange contracts. These contracts are hedging highly probably forecasted cash flows for the ensuing financial year. Management has a risk management policy to hedge between 50% and 80% of anticipated foreign currency transactions for the subsequent 4 months.

The maturity, settlement amounts and the average contractual exchange rates of the economic entity's outstanding forward foreign exchange contracts at the reporting date was as follows:

	Sell Australian dollars		Average exchange rates	
	2012	2011	2012	2011
	\$'000	\$'000		
Buy US dollars				
Maturity:				
0-3 months	2,359	1,903	0.9737	1.0509
3-6 months	515	-	0.9719	-
Buy EUR dollars				
Maturity:				
0-3 months	259	-	0.7727	-

The following table demonstrates the impact on the profit and equity of the economic entity, if the Australian Dollar weakened/strengthened by 10%, which management consider to be reasonably possible at balance date against the respective foreign currencies, with all other variables remaining constant:

	Weakening of 10%		Strengthening of 10%	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Impact on profit	<u>183</u>	<u>48</u>	<u>(120)</u>	<u>(9)</u>
Impact on equity	<u>183</u>	<u>48</u>	<u>(120)</u>	<u>(9)</u>

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

The economic entity has a borrowing facility which allows the group to utilise a combination of commercial bills and overdraft facilities to minimise its interest costs whilst maintaining the flexibility to accommodate short term working capital requirements that may vary from time to time. By converting overdraft to commercial bill debt, interest rates are effectively converted from variable to fixed rates for the term of the bill. The use of the facility exposes the economic entity to cash flow interest rate risk.

As at the reporting date, the economic entity had the following fixed and variable rate borrowings:

	Note	Weighted average interest rate		Balance	
		2012	2011	2012	2011
		%	%	\$'000	\$'000
Commercial Bills	13	6.54%	6.19%	3,400	3,000

The following table demonstrates the impact on the profit and equity of the economic entity if the average interest rate on the multi option borrowing facility had either increased or decreased by 1%, which management consider to be reasonably possible over the whole year ending 30 June 2012, with all other variables remaining constant:

	Increase of 1% of average interest rate		Decrease of 1% of average interest rate	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
Impact on profit	(33)	(44)	33	44
Impact on equity	(33)	(44)	33	44

Net Fair Values

The net fair values of assets and liabilities approximates their carrying values. No financial assets or liabilities are readily traded on organised markets.

Capital Management

The Board's aim is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Total capital is defined as shareholders' equity. The Board monitors the return on capital, which is defined as net operating income divided by total shareholders' equity. The Board also establishes a dividend payout policy which is targeted as being greater than 50% of earnings, subject to a number of factors, including the capital expenditure requirements and the company's financial and taxation position. Dividend payout for the year ended 30 June 2012 is nil (2011: 242.8%).

There were no changes to the economic entity's approach to capital management during the financial year.

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	Economic Entity	
	2012	2011
NOTE 25: EARNINGS PER SHARE		
Basic earnings per share (cents)	<u>(15.4)</u>	<u>0.4</u>
Weighted average number of ordinary shares (number)	<u>30,573,181</u>	<u>30,590,832</u>
Earnings used to calculate basic earnings per share (\$)	<u>(4,693,000)</u>	<u>126,000</u>
Diluted earnings per share (cents)	<u>(15.4)</u>	<u>0.4</u>
Weighted average number of ordinary shares (number)	<u>30,573,181</u>	<u>30,590,832</u>
Earnings used to calculate diluted earnings per share (\$)	<u>(4,693,000)</u>	<u>126,000</u>

(a) The effect of the Executive Share Option Plan options on issue is not considered dilutionary because based on conditions at the date of this report, it is considered unlikely that these options would be converted into ordinary shares.

NOTE 26: DIVIDEND FRANKING CREDITS

In respect of dividends first recognised as a liability during the period or paid in the period without previously being recognised as a liability

Dividends that have been fully franked:

Amount in aggregate (\$'000)	-	153
Cents per share	-	0.5
Tax rate	30%	30%
Amount of franking credits available for subsequent reporting periods (\$'000)	<u>6,146</u>	<u>6,139</u>

AMBERTECH LIMITED AND CONTROLLED ENTITIES
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	Economic Entity	
	2012	2011
	\$	\$
NOTE 27: AUDITORS' REMUNERATION		
During the year the following fees were paid or payable for services provided by the auditor of the parent and its related practices:		
Audit services		
BDO East Coast Partnership (formerly PKF)		
Audit and review of financial reports, and other work under the Corporations Act 2001.	114,560	124,560
Other practices - PKF NZ		
Audit or review of financial reports of subsidiary	<u>10,000</u>	<u>10,000</u>
Total remuneration for audit services	<u>124,560</u>	<u>134,560</u>
Non-audit services		
BDO East Coast Partnership (formerly PKF)		
Tax compliance services, including review of company income tax returns	<u>19,830</u>	<u>18,035</u>
Total remuneration for non-audit services	<u>19,830</u>	<u>18,035</u>

It is the economic entity's policy to employ BDO on assignments additional to their statutory audit duties where BDO's expertise and experience with the economic entity are important. These assignments are principally tax advice or where BDO is awarded assignments on a competitive basis.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
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	Parent Entity	
	2012	2011
	\$'000	\$'000
NOTE 28: PARENT ENTITY INFORMATION		
Information relating to Ambertech Limited (parent entity):		
- Current Assets	11,027	11,009
- Total Assets	15,584	15,567
- Current Liabilities	1,462	1,462
- Total Liabilities	1,462	1,462
- Share capital	11,138	11,138
- Share based payments reserve	14	28
- Retained earnings	<u>2,970</u>	<u>2,939</u>
Profit / (Loss) of the parent entity	13	(2)
Total comprehensive income of the parent entity	<u>13</u>	<u>(2)</u>

AMBERTECH LIMITED AND CONTROLLED ENTITIES
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising of the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date.
2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The directors have been given the declarations by the chief executive officer and chief financial officer required by Section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



P F Wallace
Director



P A Amos
Director

Dated this 27th day of September 2012.
Sydney

Shareholder Information



Shareholder Information

a. Distribution of equity security by size of holding:

			Number of shareholders	Number of Ordinary Shares	% of total capital
1	-	1,000	78	70,400	0.23
1,001	-	5,000	92	329,399	1.08
5,001	-	10,000	50	432,699	1.42
10,001	-	100,000	73	2,398,282	7.84
100,001	and	over	23	27,342,401	89.43
Total			316	30,573,181	100.00

The number of security investors holding less than a marketable parcel of 2,273 securities is 98 and they hold 105,448 securities.

b. Equity Security Holders:

The twenty largest shareholders as at 10 October 2012 were:

Rank	Twenty largest holders	Number of shares	% of total capital
1	Talon A Pty Limited (A K Fund 1)	4,245,667	13.89
2	Crowton Pty Ltd (Amos Super Fund)	3,231,681	10.57
3	Howbay Pty Ltd	2,883,556	9.43
4	Wavelink Systems Pty Ltd	2,784,625	9.11
5	Wavelink Systems Pty Ltd (Employee Superannuation Fund)	2,650,000	8.67
6	Nanyang Australia Limited	2,000,464	6.54
7	Appwam Pty Limited	1,950,025	6.38
8	Wygrin Pty Ltd	1,507,556	4.93
9	Wygrin Pty Ltd (Wygrin Pension Fund)	1,488,270	4.87
10	Crowton Pty Limited	1,082,162	3.54
11	JH Nominees Australia Pty Ltd (Harry Family Super Fund A/C)	993,250	3.25
12	Mr Joseph Grech	413,045	1.35
13	Mr Ralph McCleery	357,599	1.17
14	Mr Joseph Paul Grech & Ms Deborah Lee Grech	333,261	1.09
15	Mr David Le Cornu & Mrs Betty Le Cornu	220,000	0.72
16	Mr Stephen Rodney Hariono	219,270	0.72
17	Realcal Pty Ltd	200,000	0.65
18	Wallace Capital Pty Ltd	152,600	0.50
19	Velkov Funds Management Limited	150,000	0.49
20	Mr Edward Dally & Mrs Selina Dally	145,000	0.47
		27,008,031	88.34

Source: Link Market Services

c. Substantial Shareholders:

Substantial shareholders with a relevant interest of 5% or more of total issued shares, based on notifications provided to the company under the Corporations Act 2001 include:

Shareholder	Number of shares	% of total capital
Accretion Investment Management	6,246,131	20.43
Wavelink Systems Pty Ltd	5,484,625	17.94
Crowton Pty Limited	4,313,843	14.11
Wygrin Pty Ltd	2,995,826	9.80
Howbay Pty Ltd	2,883,556	9.43
Appwam Pty Limited	1,950,025	6.38

d. On-Market Buy Back:

On 2 September 2005, the company lodged an Appendix 3C announcing an on-market buy-back of up to 1,543,150 ordinary shares on issue. On 28 September 2006 the company lodged an Appendix 3D amending the buy-back duration to unlimited. The company has not lodged an Appendix 3F to finalise the buy back as at 10 October 2012.

The buy back is a part of the company's capital management and is designed to improve shareholder returns. During the year ended 30 June 2012 no shares were bought back by the company.

e. Voting rights:

On a show of hands, one vote for every registered shareholder, and for a poll, one vote for every share held by a registered shareholder.

Corporate Directory



Corporate Directory

Ambertech Limited

ACN 079 080 158

Directors

Chairman – Non-Executive Director
Managing Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Peter Francis Wallace
Peter Andrew Amos
Thomas Robert Amos
Edwin Francis Goodwin
David Rostil Swift

Company Secretary

Robert John Glasson

Registered Office

Unit 1, 2 Daydream Street
Warriewood NSW 2102
Tel: 02 9998 7600
Fax: 02 9999 0770

Accountants and Auditors

BDO East Coast Partnership
Level 10, 1 Market Street
Sydney NSW 2000

Share Registry

Link Market Services
Locked Bag A14
Sydney South NSW 1235
or
Level 12, 680 George Street
Sydney NSW 2000
Tel: 02 8280 7111

Stock Exchange Listing

Australian Stock Exchange
ASX Code: AMO

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