



AMBERTECH LIMITED AND CONTROLLED ENTITIES

ACN 079 080 158

APPENDIX 4E – PRELIMINARY FINAL REPORT

YEAR ENDED 30 JUNE 2007

FULL YEAR RESULTS ANNOUNCEMENT

For immediate release 31 August 2007

Highlights

Revenue	up by	16.3%	to	\$59.9M
EBIT	up by	49.2%	to	\$3.8M
NPAT	up by	73.3%	to	\$2.6M

Final Dividend 3c per share

Annexures:

- Results for announcement to the market
 - Commentary on the results
 - Outlook
 - Financial Report for the Year Ended 30 June 2007
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RESULTS FOR ANNOUNCEMENT TO THE MARKET

	30 Jun 07 \$'000	30 Jun 06 \$'000	Movement \$'000	%
Key Information				
Revenue from ordinary activities	59,923	51,529	8,394	16.3
Profit after income tax for the period attributable to members	2,575	1,486	1,089	73.3

	Amount per security	Franking %
Dividends		
Final dividend declared	3 cents	100%
Record date for final dividend		14 September 2007
Payment date for final dividend		28 September 2007

The Board has established a dividend reinvestment plan, whereby Shareholders may elect (subject to the rules of the plan) to reinvest dividends payable by Ambertech Limited to the shareholder. The Board has determined not to invoke the plan for the final dividend in respect of the 30 June 2007 financial year.

Dividend History		
Interim dividend paid 30 March 2007	2 cents	100%
Final dividend payable 28 September 2007	3 cents	100%
Total	5 cents	100%

	30 Jun 07 ¢	30 Jun 06 ¢
Key Ratios		
Net tangible assets per security	51.0	45.0

Explanation of results for the financial year and other figures reported above

See the attached commentary and half-year financial report.



COMMENTARY ON THE RESULTS

	30/06/07			30/06/06
	2 nd Half \$'000	1st Half \$'000	Total \$'000	Total \$'000
<u>Lifestyle Entertainment Segment</u>				
Sales to external customers	13,220	14,345	27,565	28,082
Segment Result	228	645	873	1,815

Ambertech's lifestyle entertainment business segment is a leader in the 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.

During the financial year we continued to experience solid results in our custom installation markets, with continued introduction of products meeting the industry's current and future needs.

Our display products continued to produce steady results in the traditional home theatre market, whilst achieving additional penetration into the commercial market during the financial year.

Delayed delivery of new consumer electronics products has impacted on the result for the segment for this reporting period. Our continued refresh of older product lines has also reduced margins in this area, however the increase in operational capacity has assisted with the introduction of new products into the market that have been well received.

Our investment into the accessories market continued during the reporting period, and whilst this has had the effect of somewhat masking other successes in the current reporting period, we have been rewarded with some encouraging gains in market share.

Overall, the financial year ended 30 June 2007 was a building block with excellent results in some areas of the lifestyle entertainment segment, along with further investment in business futures in other product groups.



COMMENTARY ON THE RESULTS

	30/06/07			30/06/06
	2 nd Half \$'000	1st Half \$'000	Total \$'000	Total \$'000
<u>Professional Segment</u>				
Sales to external customers	17,294	14,983	32,277	23,383
Segment Result	1,625	1,200	2,825	1,051

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.

The financial year was a fantastic success for the professional business segment in both sales revenue and segment profits. In particular, our professional audio and broadcast markets remained buoyant throughout the financial year.

We are pleased that a number of projects were able to be completed during this reporting period, including the completion of a multi-million dollar contract with NSW Police that forms part of Ambertech's strategy to penetrate the lucrative Federal and State government markets.

Our post production markets have had a difficult year overall. Budget changes and funding issues for local TV shows and films have at best provided encouraging levels of activity.

Our New Zealand operations have focused on restructuring their product mix to become less reliant on major project work. During the current reporting period the New Zealand operations lost a major project due to a highly price competitive market, and had other major projects delayed.



Dividend

The Board has announced a final dividend in respect of the year ended 30 June 2007 of 3 cents per share. Combined with the interim dividend of 2 cents per share, this allows the company to maintain a payout ratio of approximately 60% of reported earnings.

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 part of the company's capital management and designed to improve shareholder returns. During the year ended 30 June 2007, the company bought back 145,000 shares, bringing the total buy back to 154,965 shares.

Annual General Meeting

The AGM will be held at 12pm on Wednesday 21 November 2007, in the Function Room of The Parkway Hotel, 5 Frenchs Forest Rd, Frenchs Forest, NSW 2086.

OUTLOOK

For the year ending 30 June 2008 our forecasts show continued growth in revenue and profits. The capital nature of our professional segment and the uncertainty of timing of these major projects creates difficulty in accurately forecasting the results for any accounting period. However, Ambertech's management believes the company is well positioned to achieve medium term growth targets of 5%-10% per annum, with a target EBIT ratio of 8%-10%, noting that there may be period-to-period fluctuation in results due to the level of sales in the professional division.

We are constantly evaluating potential new agencies and or acquisitions to assist us with these goals.

The early trading results for 2008 have been encouraging. Our accessories division continues to gain market share and our new product offerings in consumer electronics have been well received by the market. At the same time, we continue to experience excellent trading conditions in the broadcast and professional audio markets

The upcoming year presents many opportunities for Ambertech in both the lifestyle entertainment and professional segments of the business. We are strongly focused on improvement in our product to market strategies in order to support our world class product offerings.



This announcement should be read in conjunction with the attached audited financial report.

On behalf of the board

A handwritten signature in black ink, which appears to read "Peter Wallace". The signature is written in a cursive style with a large, looping initial "P".

Peter Wallace
Chairman
Sydney, 31 August 2007.

**AMBERTECH LIMITED
AND CONTROLLED ENTITIES
ACN 079 080 158
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2007**

AMBERTECH LIMITED
ACN 079 080 158
DIRECTORS' REPORT

The directors present their report together with the financial report of Ambertech Limited ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2007 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

Aged 47

Member of the Audit Committee and Chairman of the Remuneration 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 17 years experience in private equity and has been a non-executive director of over 20 groups of companies. He is currently a non-executive director of ASX listed, Ideas International Limited.

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

Aged 50

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

Aged 56

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.

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DIRECTORS' REPORT

Edwin Francis Goodwin

Non-Executive Director

Aged 59

Chairman of the Audit Committee

Ed Goodwin has worked in the telecommunications industry for more than 20 years in various senior management positions. He has a BSc in economics from London University and an MBA from Sydney University. Between 1994 and 1999, he was General Manager of Amos Aked Swift Pty Limited. From 1990 to 1994, he was Managing Director of the Millicom Group in Australia, and before that was Chief Executive of Equatorial Satellite Systems Australia Pty Limited. From 2000 to 2003 Mr Goodwin was Finance Director of FlowCom Limited.

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

David Rostil Swift

Non-Executive Director

Aged 60

Member of the Remuneration 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 the Managing Director, NSW of Gibson Quai - AAS Pty Ltd, an independent telecommunications management and technology consulting practice 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 consolidated 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 96 full time employees as at 30 June 2007 (2006: 93 employees).

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DIRECTORS' REPORT

REVIEW AND RESULTS OF OPERATIONS

The consolidated profit of the economic entity after providing for income tax for the financial year was up by 73.3% to \$2,575,000 (2006: \$1,486,000). Total revenues for the financial year increased by 16.3% to \$59,923,000 (2006: \$51,529,000). Further information on the operations is included in the Chairman's and Managing Director's Report section of the Annual Report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER BALANCE DATE

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 years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

For the year ending 30 June 2008 our forecasts show a growth in revenue and profits. The capital nature of our professional segment and the uncertainty of timing of these major projects creates difficulty in accurately forecasting the results for any accounting period. However, the Board and management of Ambertech believe the company is well positioned to achieve medium term growth targets of 5%-10% per annum, with a target EBIT ratio of 8%-10%, noting that there may be period-to-period fluctuation in results due to the level of sales in the professional division.

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

Principles used to determine the nature and amount of remuneration (audited)

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.

Remuneration of executive directors and other senior executives is determined by a remuneration committee (refer to Corporate Governance Statement). In this respect, consideration is given to normal commercial rates of remuneration for similar levels of responsibility. Remuneration comprises salaries, commissions, bonuses, contributions to superannuation funds and options.

Approximately 5% of the aggregate remuneration of the senior sales executives comprises an incentive element which is related to the Key Performance Indicators (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.

The Managing Director and Chief Financial Officer receive an incentive element of their salary based on the achievement of the company's profit targets. These are capped at a fixed rate rather than as a percentage of total remuneration. Net profit was chosen as a determinant for the payment of bonuses as it has a direct correlation to shareholder value and successful operational business performance.

KPIs are set annually by the remuneration 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 committee and recommendations for payments determined following the end of the financial year.

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DIRECTORS' REPORT

REMUNERATION REPORT (continued)

The table below sets out the Company's key shareholder indicators since it listed on the ASX:

	2007	2006	2005
Dividends paid (cents per share)	5.0	3.0	7.0
Closing share price at 30 June (\$)	\$0.69	\$0.47	\$0.72
Share buy back (\$'000)	75	5	-
Net profit after tax (\$'000)	2,575	1,486	3,258

Details of remuneration (audited)

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

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

Name	Position	Name	Position
P Wallace	Non-Executive Chairman	B Lee	General Manager, Lifestyle Entertainment
P Amos	Managing Director	N Streatfield	General Manager, Avid
T Amos	Non-Executive Director	R McCleery	Director, Amber New Zealand
E Goodwin	Non-Executive Director	R Caston	Divisional Manager, Broadcast
D Swift	Non-Executive Director	J Fitzpatrick	Divisional Manager, Professional
R Glasson	CFO, Company Secretary	D Small	Divisional Manager, Audioworks

Key management personnel are those directly accountable to the CEO 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 Company and each of the key management personnel of the company and the consolidated entity for the financial year are set out in the following tables.

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DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Elements of Remuneration

	Short-term employment benefits		Post employment benefits	Share based payments		%	
2007	Cash salary	Cash Bonus	Superannuation	Options	Total	Performance Related	% Relating to Options
	\$	\$	\$	\$	\$		
Directors							
P Amos	310,945	21,280	39,985	19,832	392,042	5.4%	5.1%
P Wallace	50,000	-	3,750	9,799	63,549	0.0%	15.4%
T Amos	30,000	-	2,250	-	32,250	0.0%	0.0%
E Goodwin	30,000	-	2,250	-	32,250	0.0%	0.0%
D Swift	30,000	-	2,250	-	32,250	0.0%	0.0%
	450,945	21,280	50,485	29,631	552,341	3.9%	5.4%

Executives

N Streatfield	177,203	-	27,948	3,636	208,787	0.0%	1.7%
J Fitzpatrick	135,993	37,345	15,600	3,636	192,574	19.4%	1.9%
R Glasson	152,991	4,088	13,769	3,636	174,484	2.3%	2.1%
B Lee	154,398	-	13,896	3,636	171,930	0.0%	2.1%
R Caston	123,149	16,955	26,609	3,636	170,349	10.0%	2.1%
D Small	135,993	12,045	13,323	3,636	164,997	7.3%	2.2%
R McCleery	126,662	-	-	3,636	130,298	0.0%	2.8%
	1,006,389	70,433	111,145	25,452	1,213,419	5.8%	2.1%

	Short-term employment benefits		Post employment benefits	Share based payments		%	
2006	Cash salary	Cash Bonus	Superannuation	Options	Total	Performance Related	% Relating to Options
	\$	\$	\$	\$	\$		
Directors							
P Amos	296,018	37,500	27,554	15,602	376,674	10.0%	4.1%
P Wallace	50,000	-	-	9,799	59,799	0.0%	16.4%
T Amos	30,000	-	-	-	30,000	0.0%	0.0%
E Goodwin	30,000	-	-	-	30,000	0.0%	0.0%
D Swift	30,000	-	-	-	30,000	0.0%	0.0%
N Cairns (resigned 20/10/05)	12,500	-	-	-	12,500	0.0%	0.0%
	448,518	37,500	27,554	25,401	538,973	7.0%	4.7%

Executives

N Streatfield	183,692	38,750	16,465	2,835	241,742	16.0%	1.2%
B Lee	151,160	42,405	9,422	2,835	205,822	20.6%	1.4%
D Small	125,500	44,555	14,630	2,835	187,520	23.8%	1.5%
R Glasson	148,092	7,500	13,328	2,835	171,755	4.4%	1.7%
R Caston	129,750	17,500	12,577	2,835	162,662	10.8%	1.7%
R McCleery	128,584	18,265	-	2,835	149,684	12.2%	1.9%
J Fitzpatrick	114,539	15,240	12,026	2,835	144,640	10.5%	2.0%
	981,317	184,215	78,448	19,845	1,263,825	14.6%	1.6%

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DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Service agreements (audited)

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 \$372,210.

Share based compensation (audited)

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 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.

Directors

Date <u>Granted</u>	Exercise Period		Exercise		
	<u>Start</u>	<u>Finish</u>	<u>Price</u>	<u>P Wallace</u>	<u>P Amos</u>
7/12/2004	7/12/2004	7/12/2009	\$1.20	100,000	100,000
7/12/2004	30/09/2005	30/09/2010	\$1.20	-	100,000
7/12/2004	30/09/2006	30/09/2011	\$1.35	-	100,000
7/12/2004	30/09/2007	30/09/2012	\$1.35	-	100,000
Unissued shares under option plan				100,000	400,000

Executives

Date <u>Granted</u>	Exercise Period		Exercise							
	<u>Start</u>	<u>Finish</u>	<u>Price</u>	<u>R Glasson</u>	<u>B Lee</u>	<u>N Streatfield</u>	<u>J Fitzpatrick</u>	<u>D Small</u>	<u>R Caston</u>	<u>R McCleery</u>
7/12/2004	7/12/2004	7/12/2009	\$1.20	10,000	10,000	10,000	10,000	10,000	10,000	10,000
7/12/2004	31/12/2004	31/12/2009	\$1.20	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/2004	31/03/2005	31/03/2010	\$1.20	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/2004	30/06/2005	30/06/2010	\$1.20	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/2004	30/09/2005	30/09/2010	\$1.20	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/2004	31/12/2005	31/12/2010	\$1.20	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/2004	31/03/2006	31/03/2011	\$1.20	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/2004	30/06/2006	30/06/2011	\$1.20	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/2004	30/09/2006	30/09/2011	\$1.20	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Unissued shares under option plan				50,000	50,000	50,000	50,000	50,000	50,000	50,000

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DIRECTORS' REPORT

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. No options have lapsed during or since the end of the financial year.

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.

Interests of Directors

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

<u>Director</u>	<u>Ordinary Shares</u>	<u>Options over Ordinary Shares</u>
P Wallace	100,000	100,000
P Amos	4,275,343	400,000
T Amos	5,484,625	-
E Goodwin	2,883,556	-
D Swift	2,933,556	-

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
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Relating to the previous year, paid during the year ended 30 June 2007:

Final dividend	15/09/2006	29/09/2006	1.0	100%	30%
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Declared and paid during the year ended 30 June 2007:

Interim dividend	15/03/2007	30/03/2007	2.0	100%	30%
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Declared after year end in respect of the year ended 30 June 2007:

Final dividend	14/09/2007	28/09/2007	3.0	100%	30%
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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 Committee Meetings		Nomination and Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
P Wallace	10	10	5	5	2	2
P Amos	10	10	-	-	-	-
T Amos	10	10	-	-	-	-
E Goodwin	9	10	5	5	-	-
D Swift	9	10	-	-	2	2

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DIRECTORS' REPORT

NON-AUDIT SERVICES

It is the Economic Entity's policy to employ PKF for assignments additional to their annual audit duties, when PKF'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 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 the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Audit services				
PKF New South Wales firm				
Audit and review of financial reports, and other work under the Corporations Act 2001.	148	113	-	-
Related practices of PKF New South Wales firm				
Audit or review of financial reports of subsidiary	10	10	-	-
Total remuneration for audit services	<u>158</u>	<u>123</u>	<u>-</u>	<u>-</u>
Non-audit services				
PKF New South Wales firm				
Tax compliance services, including review of company income tax returns	20	63	-	-
Tax consulting and tax advice on share buy back and capital reduction	18	19	-	-
Indirect taxation consulting and tax advice on customs	-	16	-	-
Related practices of PKF New South Wales firm				
Tax compliance services, including review of company income tax returns	6	8	-	-
Total remuneration for non-audit services	<u>44</u>	<u>106</u>	<u>-</u>	<u>-</u>

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

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 10.

AMBERTECH LIMITED
ACN 079 080 158
DIRECTORS' REPORT

INDEMNIFICATION OF OFFICERS

The company has obtained insurance in respect of all directors and senior executives against all liabilities to other persons that may arise from their positions as directors and executives, except where the liability arises out of conduct involving a lack of good faith. A premium of \$21,840 (2006 \$21,840) has been paid for this insurance.

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 report 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 31st day of August 2007.

Sydney

Auditors' Independence Declaration

As lead auditor for the audit of Ambertech Limited for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

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

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


PKF
New South Wales


Paul Bull
Partner

Sydney
31 August 2007

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DX 10173 | Sydney Stock Exchange | New South Wales

AMBERTECH LIMITED
ACN 079 080 158
CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

The Board has had regard to the ASX 10 Corporate Governance Principles as the benchmark in checking its corporate governance responsibilities. A description of the company's main corporate governance practices is set out below. Unless otherwise stated, all these practices were in place for the entire year.

The Board

The Board comprises four non-executive directors, including the Chairman, and one executive director. As a team, the Board brings a range of qualifications, with experience in high technology equipment, finance, accounting, public company affairs and corporate governance. The Board believes that the first priority in the selection of directors is their ability to add value to the Board and enhance Ambertech's performance.

The Board has referred to the ASX Guidance when considering the independence of non executive directors. The Board has adopted a policy which is primarily consistent with the ASX Guidance, except for the following:

- Independence is extended to those non-executive directors whose interests are less than 10% of issued capital, where that director is not the major shareholder, and where no ongoing services are being provided to the Company by the director or related entities.

This view of independence is considered more appropriate for Ambertech Limited. As such, the Board comprises three independent and two non-independent directors.

Board Committees

The Board has established two committees of directors, the Audit and Risk Management Committee and the Nomination and Remuneration Committee, responsible for considering specific issues and making recommendations to the Board. Each committee has a formal charter.

Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for ensuring that:

- reporting on the financial and other performance indicators for the Company meets all applicable legislative and accounting standards;
- the Company's control and accountability systems are robust;
- the Company identifies and monitors major risks as well as reviewing and ratifying systems of risk management, and internal compliance and control; and
- governance policies of the Company comply with all relevant legislation.

Members of the Committee are Ed Goodwin (Chairperson) and Peter Wallace, each of whom is a non-executive director with appropriate financial and business expertise to act effectively as a member of the Audit and Risk Management Committee.

The Audit and Risk Management Committee meets at least four times a year and reports regularly to the Board. The Audit and Risk Management Committee has direct access to any employee, the auditors or any other independent experts and advisers, as it considers appropriate in order to ensure that its responsibilities can be carried out effectively.

AMBERTECH LIMITED
ACN 079 080 158
CORPORATE GOVERNANCE STATEMENT

Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee is to provide recommendations to the Board on various matters including:

- appropriate remuneration policies and monitoring their implementation including with respect to executives, senior managers and non-executive directors;
- incentive schemes designed to enhance corporate and individual performance; and
- retention strategies for executives and senior management.

Members of the Nomination and Remuneration Committee are Peter Wallace (chairperson), and David Swift, each of whom is a non executive director.

The Nomination and Remuneration Committee meets at least once a year and at such other times as the chairman of that committee considers necessary.

Corporate Reporting

The Managing Director and Chief Financial Officer have made the following certifications to the Board:

- That the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and Group and are in accordance with relevant accounting standards.
- That the above statements are founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material aspects.

Securities Trading

The Company's Directors and Officers are prohibited from dealing in any of the Company's shares, except while not in possession of unpublished price sensitive information. Directors and Officers are prohibited from dealing in the Company's shares during specified periods prior to the release of the Company's results, or before the AGM. Directors and Officers must notify either the Chair or the Company Secretary prior to dealing in the Company's shares.

External Audit

The Board has delegated to the Audit and Risk Management Committee responsibility for making recommendations on the appointment, evaluation and dismissal of external auditors, and ensuring that the auditors report to the Committee and the Board.

It is policy for the external auditors to provide an annual declaration of independence to the Audit and Risk Management Committee. The external auditor will attend the Annual General Meeting and be available to shareholders for questions regarding the conduct of the audit and preparation of the content of the Audit Report.

AMBERTECH LIMITED
ACN 079 080 158
INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

		Economic Entity		Parent Entity	
		2007	2006	2007	2006
	Note	\$'000	\$'000	\$'000	\$'000
Revenues	3	59,923	51,529	4,000	1,000
Cost of sales	4	<u>(41,041)</u>	<u>(34,142)</u>	<u>-</u>	<u>-</u>
Gross profit		18,882	17,387	4,000	1,000
Other income	3	498	2	-	-
Employee benefits expense	4	(9,466)	(7,943)	(225)	(153)
Distribution costs		(714)	(1,870)	-	-
Marketing costs		(1,480)	(1,462)	-	-
Premises costs		(1,161)	(972)	-	-
Depreciation and amortisation expenses	4	(334)	(338)	-	-
Finance costs		(513)	(452)	-	(9)
Other expenses		<u>(2,350)</u>	<u>(2,197)</u>	<u>157</u>	<u>(145)</u>
Profit before income tax	4	3,362	2,155	3,932	693
Income tax expense	5	<u>(787)</u>	<u>(669)</u>	<u>264</u>	<u>92</u>
Profit attributable to the members of the parent entity		<u>2,575</u>	<u>1,486</u>	<u>4,196</u>	<u>785</u>
Earnings per share					
Basic earnings per share	25	<u>8.4</u>	<u>4.8</u>		
Diluted earnings per share	25	<u>8.4</u>	<u>4.8</u>		

The income statements are to be read in conjunction with the attached notes.

AMBERTECH LIMITED
ACN 079 080 158
BALANCE SHEETS AS AT 30 JUNE 2007

		Economic Entity		Parent Entity	
		2007	2006	2007	2006
	Note	\$'000	\$'000	\$'000	\$'000
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	23	2,058	1,586	13	44
Trade and other receivables	6	8,135	9,810	9,651	6,362
Tax receivable		1,071	812	1,043	787
Inventories	7	14,073	14,259	-	-
TOTAL CURRENT ASSETS		25,337	26,467	10,707	7,193
NON-CURRENT ASSETS					
Other financial assets	8	-	-	4,557	4,557
Plant and equipment	10	730	954	-	-
Intangible assets	11	2,970	2,970	-	-
Deferred tax assets	5	473	498	416	449
TOTAL NON-CURRENT ASSETS		4,173	4,422	4,973	5,006
TOTAL ASSETS		29,510	30,889	15,680	12,199
<u>LIABILITIES</u>					
CURRENT LIABILITIES					
Trade and other payables	12	6,396	7,585	781	574
Other financial liabilities	13	3,002	5,102	-	-
Provisions	14	821	747	-	-
TOTAL CURRENT LIABILITIES		10,219	13,434	781	574
NON-CURRENT LIABILITIES					
Other financial liabilities	13	4	35	-	-
Provisions	14	666	552	-	-
TOTAL NON-CURRENT LIABILITIES		670	587	-	-
TOTAL LIABILITIES		10,889	14,021	781	574
NET ASSETS		18,621	16,868	14,899	11,625
<u>EQUITY</u>					
Share Capital		11,190	11,265	11,190	11,265
Reserves		198	24	139	65
Retained earnings		7,233	5,579	3,570	295
TOTAL EQUITY		18,621	16,868	14,899	11,625

The balance sheets are to be read in conjunction with the attached notes.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Share Capital \$'000	Option Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Total Equity \$'000
Economic Entity					
Balance as at 1 July 2005	11,270	20	103	5,945	17,338
Net exchange differences	-	-	(144)	-	(144)
Net income/(expense) recognised directly in equity	-	-	(144)	-	(144)
Profit for the year	-	-	-	1,486	1,486
Total recognised income and expense for the period	-	-	(144)	1,486	1,342
Transactions with equity holders:					
Shares bought back during the period	(5)	-	-	-	(5)
Costs of share based payments	-	45	-	-	45
Dividends	-	-	-	(1,852)	(1,852)
	(5)	45	-	(1,852)	(1,812)
Balance as at 30 June 2006	11,265	65	(41)	5,579	16,868
Net exchange differences	-	-	100	-	100
Net income/(expense) recognised directly in equity	-	-	100	-	100
Profit for the year	-	-	-	2,575	2,575
Total recognised income and expense for the period	-	-	100	2,575	2,675
Transactions with equity holders:					
Shares bought back during the period	(75)	-	-	-	(75)
Costs of share based payments	-	74	-	-	74
Dividends	-	-	-	(921)	(921)
	(75)	74	-	(921)	(922)
Balance as at 30 June 2007	11,190	139	59	7,233	18,621
Parent Entity					
Balance as at 1 July 2005	11,270	20	-	1,362	12,652
Net income/(expense) recognised directly in equity	-	-	-	-	-
Profit for the year	-	-	-	785	785
Total recognised income and expense for the period	-	-	-	785	785
Transactions with equity holders:					
Shares bought back during the period	(5)	-	-	-	(5)
Costs of share based payments	-	45	-	-	45
Dividends	-	-	-	(1,852)	(1,852)
	(5)	45	-	(1,852)	(1,812)
Balance as at 30 June 2006	11,265	65	-	295	11,625
Net income/(expense) recognised directly in equity	-	-	-	-	-
Profit for the year	-	-	-	4,196	4,196
Total recognised income and expense for the period	-	-	-	4,196	4,196
Transactions with equity holders:					
Shares bought back during the period	(75)	-	-	-	(75)
Costs of share based payments	-	74	-	-	74
Dividends	-	-	-	(921)	(921)
	(75)	74	-	(921)	(922)
Balance as at 30 June 2007	11,190	139	-	3,570	14,899

The statements of changes in equity are to be read in conjunction with the attached notes.

AMBERTECH LIMITED
ACN 079 080 158
CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

		Economic Entity		Parent Entity	
		2007	2006	2007	2006
	Note	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		67,249	54,208	-	-
Payments to suppliers and employees		(57,472)	(48,914)	(238)	(252)
Interest received		81	64	-	-
Interest and other costs of finance paid		(509)	(426)	-	-
Income taxes paid		(1,455)	(1,710)	-	(96)
Goods and services tax remitted		<u>(4,636)</u>	<u>(3,794)</u>	<u>-</u>	<u>-</u>
Net cash provided by/(used in) operating activities	23	<u>3,258</u>	<u>(572)</u>	<u>(238)</u>	<u>(348)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for plant and equipment		(113)	(307)	-	-
Repayment of loans by related parties		<u>-</u>	<u>-</u>	<u>1,203</u>	<u>2,232</u>
Net cash provided by/(used in) investing activities		<u>(113)</u>	<u>(307)</u>	<u>1,203</u>	<u>2,232</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to shareholders		(921)	(1,852)	(921)	(1,852)
Proceeds from borrowings		-	1,500	-	-
Payments for shares bought back		(75)	(5)	(75)	(5)
Repayment of borrowings		<u>(1,696)</u>	<u>(59)</u>	<u>-</u>	<u>-</u>
Net cash provided by/(used in) financing activities		<u>(2,692)</u>	<u>(416)</u>	<u>(996)</u>	<u>(1,857)</u>
Net increase/(decrease) in cash and cash equivalents held		453	(1,295)	(31)	27
Cash and cash equivalents at beginning of year		1,586	2,930	44	17
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>19</u>	<u>(49)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at end of year	23	<u>2,058</u>	<u>1,586</u>	<u>13</u>	<u>44</u>

The cash flow statements are to be read in conjunction with the attached notes.

AMBERTECH LIMITED
ACN 079 080 158
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: INTRODUCTION

This financial report covers both Ambertech Limited as an individual entity and the economic entity consisting of Ambertech Limited and its subsidiaries. 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

Scope of financial statements

The consolidated financial statements have been prepared by Ambertech Limited in accordance with paragraph 9.1 of AASB 127 "Consolidated and Separate Financial Statements".

Currency

The financial report is presented in Australian dollars and rounded to the nearest one thousand dollars.

Registered office

Unit B, 5 Skyline Place, Frenchs Forest NSW 2086

Authorisation of financial report

The financial report was authorised for issue on 31 August 2007 by the Directors. The company has the power to amend the financial report.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Overall Policy

The principal accounting policies adopted by Ambertech Limited comprising the parent entity and its subsidiaries are stated in order to assist in a general understanding of the financial report. The financial report is a general purpose financial report prepared in accordance with Australian Accounting Standards and the Corporations Act 2001.

Statement of Compliance

The financial report complies with Australian Accounting Standards which include Australian equivalents to International Financial Reporting Standards (AIFRS).

Impact of new accounting standards and UIG interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 7 "Financial Instruments : Disclosure" (and amendments made to other standards by AASB 2005-10) requires more qualitative and quantitative information to be disclosed about risks arising from financial instruments. The new disclosures are to be made in financial reports for annual reporting periods commencing 1 January 2007. Application of AASB 7 will not result in changes to the amounts recognised in the financial report.
- (ii) AASB 8 "Operating Segments" requires the adoption of a management approach to the reporting on operating segments utilising measures the chief operating decision maker and key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. AASB 8 will apply for annual reporting periods beginning on or after 1 January 2009. Application of AASB 8 will not result in changes to the amounts recognised in the financial report.
- (iii) AASB 2007-4 "Amendments to Australian Accounting Standards arising from ED151 and Other Amendments" allows that certain information may or may no longer be disclosed, or may be disclosed in an alternative manner. The new disclosures are to be made in financial reports for annual reporting periods commencing 1 January 2007. Application of AASB 2007-4 will not result in changes to the amounts recognised in the financial report.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

(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.

(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 two months, and bank overdrafts.

(f) Receivables

Trade accounts and notes receivable and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(g) Inventory

Inventories are measured at the lower of 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.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Plant and Equipment

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

Plant and equipment is depreciated over its estimated useful lives 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.

(i) Investments in Subsidiaries

In the separate financial statements of the parent, investments in subsidiaries that are not classified as held for sale or included in a disposal group classified as held for sale, are accounted for at cost.

(j) 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(k)).

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

(k) Impairment of Assets

The carrying amount of the economic entity's assets is reviewed at each balance date to determine whether there is any indication of impairment. Assets are tested for impairment as part of the cash generating unit to which they belong. If any such indication exists, the asset is written down to its recoverable amount.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Trade and Other Payables

Trade accounts, other payables and accrued liabilities represented the principal amounts outstanding at balance sheet date, plus where applicable, any accrued interest.

(m) Bills Payable

Bills payable represented the principal amounts outstanding at balance sheet date, plus where applicable, any accrued interest.

(n) Service Warranties

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

(o) Leases

(i) Finance leases

Assets held under finance leases are recognised as a receivable and finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

(ii) Operating leases

Assets held for operating leases are depreciated over their estimated useful lives. Income is recognised on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which benefits are diminished

(p) 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.

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

(q) 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.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income Tax

Income taxes are accounted for using the comprehensive balance sheet liability method whereby:

- the tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;
- current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset;
- deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

AMBERTECH LIMITED
ACN 079 080 158
NOTES TO THE FINANCIAL STATEMENTS

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
NOTE 3: REVENUE				
Revenue				
- Sale of goods and services	59,842	51,465	-	-
- Interest received	81	64	-	-
- Dividends received	-	-	4,000	1,000
	<u>59,923</u>	<u>51,529</u>	<u>4,000</u>	<u>1,000</u>
Other income				
- Net gain on disposal of plant and equipment	5	2	-	-
- Net foreign currency gains (net loss in 2006, refer to note 4)	493	-	-	-
	<u>498</u>	<u>2</u>	<u>-</u>	<u>-</u>
NOTE 4: ITEMS INCLUDED IN PROFIT				
Additional information on the nature of expenses				
Inventories				
Cost of sales	<u>41,041</u>	<u>34,142</u>	<u>-</u>	<u>-</u>
Write down of inventories to net realisable value	<u>181</u>	<u>151</u>	<u>-</u>	<u>-</u>
Employee benefits expense				
Salaries and wages	9,380	7,801	225	153
Employee termination expense	<u>86</u>	<u>142</u>	<u>-</u>	<u>-</u>
	<u>9,466</u>	<u>7,943</u>	<u>225</u>	<u>153</u>
Depreciation				
Plant and equipment	177	200	-	-
Furniture and fittings	38	41	-	-
Leasehold improvements	<u>95</u>	<u>72</u>	<u>-</u>	<u>-</u>
	<u>310</u>	<u>313</u>	<u>-</u>	<u>-</u>
Amortisation				
Leased plant and equipment	<u>24</u>	<u>26</u>	<u>-</u>	<u>-</u>
Bad and doubtful debts	<u>41</u>	<u>67</u>	<u>-</u>	<u>-</u>
Rental expense on operating leases:				
Minimum lease payments	<u>912</u>	<u>913</u>	<u>-</u>	<u>-</u>
Net foreign currency losses (net gain in 2007, refer to note 3)	<u>-</u>	<u>26</u>	<u>-</u>	<u>-</u>

AMBERTECH LIMITED
ACN 079 080 158
NOTES TO THE FINANCIAL STATEMENTS

Economic Entity		Parent Entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

NOTE 5: INCOME TAXES

Major components of income tax expense

Current income tax expense	994	689	(47)	(74)
Overprovision in prior years	(184)	-	(184)	-
Deferred taxes	(23)	(20)	(33)	(18)
Income tax expense	<u>787</u>	<u>669</u>	<u>(264)</u>	<u>(92)</u>

Reconciliation between income tax expense and prima facie tax on accounting profit (loss)

Accounting profit (loss)	<u>3,362</u>	<u>2,155</u>	<u>3,932</u>	<u>693</u>
Tax at 30% (2006:30%)	1,009	647	1,180	208
Tax effect of non deductible expenses				
- Entertainment	22	21	-	-
- Other items	(60)	-	(60)	-
Tax effect of non assessable income				
- Dividends	-	-	(1,200)	(300)
Over provision for income tax in prior year	<u>(184)</u>	<u>1</u>	<u>(184)</u>	<u>-</u>
Income tax expense	<u>787</u>	<u>669</u>	<u>(264)</u>	<u>(92)</u>

Applicable tax rate

The applicable tax rate is the national tax rate in Australia.

Analysis of deferred tax assets

Employee benefits deducted for tax purposes when paid	345	331	345	331
Allowance for doubtful accounts	14	19	13	15
Accrued expenses	73	66	17	21
Share based payments	42	48	42	48
Leased assets	-	21	-	21
Unrealised foreign currency translation	(1)	13	(1)	13
	<u>473</u>	<u>498</u>	<u>416</u>	<u>449</u>

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 2007.

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		Parent Entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

NOTE 6: TRADE AND OTHER RECEIVABLES

Current

Trade accounts receivable	7,670	9,521	-	-
Allowance for doubtful accounts	(46)	(60)	-	-
	<u>7,624</u>	<u>9,461</u>	<u>-</u>	<u>-</u>
Receivable from related parties (refer note 20)	-	-	9,651	6,362
Other receivables	117	132	-	-
Prepayments	<u>394</u>	<u>217</u>	<u>-</u>	<u>-</u>
	<u>8,135</u>	<u>9,810</u>	<u>9,651</u>	<u>6,362</u>

Information concerning effective interest rate and credit risk is set out in note 24.

NOTE 7: INVENTORIES

Current

Finished goods at cost	12,628	12,807	-	-
Stock in transit	<u>1,634</u>	<u>1,603</u>	<u>-</u>	<u>-</u>
	14,262	14,410	-	-
Provision for obsolescence	<u>(189)</u>	<u>(151)</u>	<u>-</u>	<u>-</u>
	<u>14,073</u>	<u>14,259</u>	<u>-</u>	<u>-</u>

NOTE 8: OTHER FINANCIAL ASSETS

Non Current

Investment in subsidiaries - at cost (refer note 9)	<u>-</u>	<u>-</u>	<u>4,557</u>	<u>4,557</u>
	<u>-</u>	<u>-</u>	<u>4,557</u>	<u>4,557</u>

NOTE 9: CONTROLLED ENTITIES

Entity	Country of Incorporation	Percentage Owned	
		2007	2006
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	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Economic Entity						
Plant and equipment at cost	1,701	1,635	(1,405)	(1,266)	296	369
Furniture and fittings at cost	355	350	(238)	(197)	117	153
Leasehold improvements	596	509	(284)	(189)	312	320
Leased plant and equipment	11	155	(6)	(43)	5	112
Total plant and equipment	<u>2,663</u>	<u>2,649</u>	<u>(1,933)</u>	<u>(1,695)</u>	<u>730</u>	<u>954</u>

Reconciliation of carrying amounts:

	Plant and Equipment	Furniture and Fittings	Leasehold Improvements	Leased Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2007					
Economic Entity					
Balance at the beginning of the year	369	153	320	112	954
Additions	24	2	87	-	113
Reclassification	84	-	-	-	84
Disposals	(8)	-	-	(84)	(92)
Depreciation expense	(177)	(38)	(95)	(24)	(334)
Effect of change in foreign currency	4	-	-	1	5
Carrying amount at the end of the year	<u>296</u>	<u>117</u>	<u>312</u>	<u>5</u>	<u>730</u>

	Plant and Equipment	Furniture and Fittings	Leasehold Improvements	Leased Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2006					
Economic Entity					
Balance at the beginning of the year	423	149	289	128	989
Additions	151	43	103	10	307
Disposals	(5)	-	-	-	(5)
Depreciation expense	(200)	(41)	(72)	(26)	(339)
Effect of change in foreign currency	-	2	-	-	2
Carrying amount at the end of the year	<u>369</u>	<u>153</u>	<u>320</u>	<u>112</u>	<u>954</u>

The parent entity does not own any plant and equipment.

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Economic Entity		Parent Entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

NOTE 11: INTANGIBLE ASSETS

Non-Current

Goodwill at cost	2,970	2,970	-	-
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(a) 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 \$'000	New Zealand \$'000	Total \$'000
2007			
Lifestyle Entertainment	1,539	-	1,539
Professional	1,387	44	1,431
	<u>2,926</u>	<u>44</u>	<u>2,970</u>
2006			
Lifestyle Entertainment	1,650	-	1,650
Professional	1,276	44	1,320
	<u>2,926</u>	<u>44</u>	<u>2,970</u>

Recoverable amount of a CGU is based on value in use.

(b) Key assumptions for value in use calculations

- Continuity of operations for at least 10 years.
- Maintenance of market share.
- Growth rate of 5% per year.
- No significant changes impacting the entity or the assets.
- Cash flows based on financial budgets and forecasts approved by management projected over 5 years.
- A discount rate of 7.32% (2006: 5.5%) has been applied to cash flow projections.

Values assigned reflect past experience and are consistent with external sources of information.

(c) Impact of possible changes in key assumptions

Management does not consider a change in any of the key assumptions, that would cause a CGUs carrying amount to exceed the recoverable amount, to be reasonably likely.

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	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
NOTE 12: TRADE AND OTHER PAYABLES				
Current				
Trade accounts payable	3,852	5,690	-	-
Other accounts payable	2,544	1,895	-	-
Due to related parties (refer note 20)	-	-	781	574
	<u>6,396</u>	<u>7,585</u>	<u>781</u>	<u>574</u>
Amounts payable in foreign currencies:				
Trade accounts payable:				
- US Dollars	1,486	2,474	-	-
- British Pound	580	55	-	-
- Euro	362	321	-	-
- Swiss Francs	191	160	-	-
- New Zealand Dollars	40	47	-	-
- Japanese Yen	6	-	-	-
- Danish Kroner	-	4	-	-
	<u>2,665</u>	<u>3,061</u>	<u>-</u>	<u>-</u>
NOTE 13: OTHER FINANCIAL LIABILITIES				
Current				
Bills payable (a)	3,000	4,850	-	-
Lease liability (b)	2	43	-	-
Other loans (c)	-	209	-	-
	<u>3,002</u>	<u>5,102</u>	<u>-</u>	<u>-</u>
Non-Current				
Lease liability (b)	<u>4</u>	<u>35</u>	<u>-</u>	<u>-</u>

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

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

a. Bills payable

The commercial bill facility is secured by a charge over the assets of Amber Technology Limited.

Guarantees are in place to a limit of \$5,200,000 (2006:\$5,200,000). The value of assets at balance date is \$26,412,548.

b. Lease liabilities

Lease liabilities are secured by a charge over the assets financed.

c. Other loans

The inventory financing agreement is secured by a floating charge over the assets of Alphan Pty Limited.

The value of the assets at balance date is \$6,779,223.

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	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
NOTE 14: PROVISIONS				
Current				
Service warranty	207	206	-	-
Employee benefits	<u>614</u>	<u>541</u>	<u>-</u>	<u>-</u>
	<u>821</u>	<u>747</u>	<u>-</u>	<u>-</u>
Non Current				
Employee benefits	<u>666</u>	<u>552</u>	<u>-</u>	<u>-</u>
Service Warranty				
Estimated warranty claims in respect of goods sold under warranty, based on warranty claims history.				
Movements in provisions, other than employee benefits are set out below:				
Opening balance	206	223	-	-
Additional provision recognised	168	160	-	-
Reductions resulting from payments	<u>(167)</u>	<u>(177)</u>	<u>-</u>	<u>-</u>
Closing balance	<u>207</u>	<u>206</u>	<u>-</u>	<u>-</u>

NOTE 15: SHARE CAPITAL

	No. Shares	
	2007	2006
Issued: Ordinary Shares fully paid (no par value)	<u>30,708,305</u>	<u>30,853,305</u>
Movements during the year		
Opening balance	30,853,305	30,863,000
Shares bought back during the year	<u>(145,000)</u>	<u>(9,695)</u>
Closing balance	<u>30,708,305</u>	<u>30,853,305</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 2007 the company bought back 145,000 (2006: 9,695) shares.

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Economic Entity		Parent Entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

NOTE 16: RESERVES

Foreign currency translation reserve (a)	59	(41)	-	-
Share based payments reserve (b)	139	65	139	65
	<u>198</u>	<u>24</u>	<u>139</u>	<u>65</u>

For an explanation of movements in reserve accounts refer to Statements 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(i). 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: COMMITMENTS FOR EXPENDITURE

Finance lease commitments

Payable:

Not later than 1 year	2	51	-	-
Later than 1 year but not later than 5 years	5	33	-	-
Minimum lease payments	7	84	-	-
Less future finance charges	(1)	(6)	-	-
	<u>6</u>	<u>78</u>	<u>-</u>	<u>-</u>

Operating lease commitments

Payable:

Not later than 1 year	770	747	-	-
Later than 1 year but not later than 5 years	4,049	3,648	-	-
Later than 5 years	-	836	-	-
Minimum lease payments	<u>4,819</u>	<u>5,231</u>	<u>-</u>	<u>-</u>

The Frenchs Forest property lease is a non-cancellable lease with a four-year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the four-year term for an additional term of four years. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by a rent review at the beginning of the option period to market value, but with an increase not less than 3% per annum. The lease allows for sub-letting of all lease areas.

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 lease rentals

257	193	-	-
<u>257</u>	<u>193</u>	<u>-</u>	<u>-</u>

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

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NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year, no matters have arisen which significantly affected or may significantly affect the operations of the entity, the results of those operations or the state of affairs of the entity in future financial years.

NOTE 20: RELATED PARTY TRANSACTIONS

Parent and ultimate controlling entity

The parent and ultimate controlling entity is Ambertech Limited. The names and information about subsidiaries are included at note 9.

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Transactions between related parties				
- Current receivables from subsidiaries	-	-	9,651	6,362
- Current payables to subsidiaries	-	-	781	574

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		Parent Entity	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Summary				
- Short term employee benefits	1,549	1,652	1,422	1,481
- Post employment benefits	162	105	162	105
- Share based payments	55	45	55	45
	<u>1,766</u>	<u>1,802</u>	<u>1,639</u>	<u>1,631</u>

Key management personnel

Name	Position	Name	Position
P Wallace	Non-Executive Chairman	B Lee	General Manager, Lifestyle Entertainment
P Amos	Managing Director	N Streatfield	General Manager, Avid
T Amos	Non-Executive Director	R McCleery	Director, Amber New Zealand
E Goodwin	Non-Executive Director	R Caston	Divisional Manager, Broadcast
D Swift	Non-Executive Director	J Fitzpatrick	Divisional Manager, Professional
R Glasson	Chief Financial Officer	D Small	Divisional Manager, Audioworks

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.

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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 issue or earlier in the event of dismissal, death, termination, redundancy or retirement of the employee.

There were no options exercised, forfeited or that lapsed 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	
	2007	2006
Employee Share Option Plan		
Held by employees at the beginning of the year	950,000	950,000
Held by employees at the end of the year	950,000	950,000
Exercisable at the end of the year	850,000	715,000

Set out below are summaries of options granted under the plan:

Date Granted	Exercise Period Start Finish	Exercise Price	Balance at start of year	Granted during the year	Balance at end of year	Exercisable at end of year
Consolidated and parent entity 2007						
7/12/2004	7/12/2004 7/12/2009	\$1.20	270,000	-	270,000	270,000
7/12/2004	31/12/2004 31/12/2009	\$1.20	35,000	-	35,000	35,000
7/12/2004	31/03/2005 31/03/2010	\$1.20	135,000	-	135,000	135,000
7/12/2004	30/06/2005 30/06/2010	\$1.20	35,000	-	35,000	35,000
7/12/2004	30/09/2005 30/09/2010	\$1.20	135,000	-	135,000	135,000
7/12/2004	31/12/2005 31/12/2010	\$1.20	35,000	-	35,000	35,000
7/12/2004	31/03/2006 31/03/2011	\$1.20	35,000	-	35,000	35,000
7/12/2004	30/06/2006 30/06/2011	\$1.20	35,000	-	35,000	35,000
7/12/2004	30/09/2006 30/09/2011	\$1.35	135,000	-	135,000	135,000
7/12/2004	30/09/2007 30/09/2012	\$1.35	100,000	-	100,000	-
			<u>950,000</u>	<u>-</u>	<u>950,000</u>	<u>850,000</u>
Weighted average exercise price			<u>\$1.23</u>		<u>\$1.23</u>	<u>\$1.23</u>

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NOTE 21: SHARE BASED PAYMENT ARRANGEMENTS (continued)

Date Granted	Exercise Period Start	Exercise Period Finish	Exercise Price	Balance at start of year	Granted during the year	Balance at end of year	Exercisable at end of year
Consolidated and parent entity 2006							
7/12/2004	7/12/2004	7/12/2009	\$1.20	270,000	-	270,000	270,000
7/12/2004	31/12/2004	31/12/2009	\$1.20	35,000	-	35,000	35,000
7/12/2004	31/03/2005	31/03/2010	\$1.20	135,000	-	135,000	135,000
7/12/2004	30/06/2005	30/06/2010	\$1.20	35,000	-	35,000	35,000
7/12/2004	30/09/2005	30/09/2010	\$1.20	135,000	-	135,000	135,000
7/12/2004	31/12/2005	31/12/2010	\$1.20	35,000	-	35,000	35,000
7/12/2004	31/03/2006	31/03/2011	\$1.20	35,000	-	35,000	35,000
7/12/2004	30/06/2006	30/06/2011	\$1.20	35,000	-	35,000	35,000
7/12/2004	30/09/2006	30/09/2011	\$1.35	135,000	-	135,000	-
7/12/2004	30/09/2007	30/09/2012	\$1.35	100,000	-	100,000	-
				<u>950,000</u>	<u>-</u>	<u>950,000</u>	<u>715,000</u>
Weighted average exercise price				<u>\$1.23</u>		<u>\$1.23</u>	<u>\$1.20</u>
				Economic Entity 2007	2006	Parent Entity 2007	2006

Fair value of options granted

Share options granted during the year:

Weighted average fair value at
measurement date

<u>\$0.69</u>	<u>\$0.43</u>	<u>\$0.69</u>	<u>\$0.43</u>
---------------	---------------	---------------	---------------

Fair value was measured using the Black-Scholes option pricing model. Inputs to that model was as follows:

- share price at grant date	<u>\$0.87</u>	<u>\$0.87</u>	<u>\$0.87</u>	<u>\$0.87</u>
- weighted average exercise price	<u>\$1.22</u>	<u>\$1.20</u>	<u>\$1.22</u>	<u>\$1.20</u>
- option life	<u>5 yrs</u>	<u>5 yrs</u>	<u>5 yrs</u>	<u>5 yrs</u>
- risk-free interest rate	<u>6.0%</u>	<u>5.8%</u>	<u>6.0%</u>	<u>5.8%</u>
- expected dividend yield	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>
- expected volatility	<u>71.4%</u>	<u>71.4%</u>	<u>71.4%</u>	<u>71.4%</u>

Expected volatility was determined wholly on the basis of historical volatility.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 22: SEGMENT REPORTING

Business Segments

The consolidated entity comprises the following main business 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.

	Professional		Lifestyle Entertainment		Eliminations		Economic Entity	
	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
- Sales to external customers	32,277	23,383	27,565	28,082	-	-	59,842	51,465
- Inter-segment sales	<u>1,088</u>	<u>1,770</u>	<u>-</u>	<u>-</u>	<u>(1,088)</u>	<u>(1,770)</u>	<u>-</u>	<u>-</u>
Total sales revenue	<u>33,365</u>	<u>25,153</u>	<u>27,565</u>	<u>28,082</u>	<u>(1,088)</u>	<u>(1,770)</u>	<u>59,842</u>	<u>51,465</u>
Result								
- Segment result	<u>2,825</u>	<u>1,051</u>	<u>873</u>	<u>1,815</u>	<u>-</u>	<u>-</u>	3,698	2,866
- Unallocated/corporate result							<u>96</u>	<u>(323)</u>
							3,794	2,543
- Net interest							<u>(432)</u>	<u>(388)</u>
- Profit before income tax							3,362	2,155
- Income tax expense							<u>(787)</u>	<u>(669)</u>
- Profit for the year							<u>2,575</u>	<u>1,486</u>
Assets								
- Segment Assets	<u>8,883</u>	<u>7,516</u>	<u>11,216</u>	<u>16,652</u>	<u>-</u>	<u>-</u>	20,099	24,168
- Unallocated/corporate assets							<u>9,411</u>	<u>6,721</u>
- Total assets							<u>29,510</u>	<u>30,889</u>
Liabilities								
- Segment Liabilities	<u>2,545</u>	<u>4,905</u>	<u>638</u>	<u>785</u>	<u>-</u>	<u>-</u>	3,183	5,690
- Unallocated/corporate liabilities							<u>7,706</u>	<u>8,331</u>
- Total liabilities							<u>10,889</u>	<u>14,021</u>
Other								
- Acquisition of non current segment assets	-	-	-	-	-	-	-	-
- Unallocated/corporate assets							<u>113</u>	<u>307</u>
							<u>113</u>	<u>307</u>
- Depreciation and amortisation of segment assets	-	-	-	-	-	-	-	-
- Unallocated depreciation and amortisation							<u>334</u>	<u>338</u>
							<u>334</u>	<u>338</u>
- Other non-cash expenses	-	-	-	-	-	-	-	-
- cash expenses							<u>-</u>	<u>14</u>
							<u>-</u>	<u>14</u>

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 22: SEGMENT REPORTING (continued)

Secondary reporting - Geographical Segments

	Segment Revenues from Sales to External Customers		Carrying Amount of Segment Assets		Acquisition of Non- Current Assets	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Geographical Location						
- Australia	57,076	47,930	28,158	29,692	113	281
- New Zealand	2,766	3,535	1,352	1,197	-	26
	<u>59,842</u>	<u>51,465</u>	<u>29,510</u>	<u>30,889</u>	<u>113</u>	<u>307</u>

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 and inventories. All remaining assets of the economic entity are considered to be unallocated assets, including property, plant and equipment. As such, depreciation and amortisation are also classified as unallocated expenses. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings.

Segment assets and liabilities do not include income taxes.

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 at an arm's length. These transfers are eliminated on consolidation.

AMBERTECH LIMITED
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NOTES TO THE CASH FLOW STATEMENTS

Economic Entity		Parent Entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

NOTE 23: CASH FLOW INFORMATION

(i) Cash and cash equivalents

Cash and cash equivalents included in the Cash Flow Statement comprise the following amounts:

Cash on hand	4	3	-	-
At call deposits with financial institutions	2,054	1,583	13	44
	<u>2,058</u>	<u>1,586</u>	<u>13</u>	<u>44</u>

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

Profit for the year	2,575	1,486	4,196	785
Depreciation and amortisation	334	338	-	-
Net (gain) on disposal of plant and equipment	(5)	(2)	-	-
Borrowing expenses	4	20	-	9
Net exchange differences	(350)	26	-	-
Non-cash share based payments	74	45	74	45
Changes in operating assets and liabilities				
(Increase)/Decrease in accounts receivable	1,852	(1,773)	(4,492)	(781)
(Increase)/Decrease in prepayments	(177)	40	-	-
(Increase)/Decrease in inventories	186	(1,744)	-	-
(Increase) in tax receivable	(259)	(1,101)	(256)	(999)
Increase/(Decrease) in payables	(1,189)	1,967	207	574
Increase in provisions	188	95	-	-
Decrease in deferred taxes	25	31	33	19
Net cash provided by/(used in) operating activities	<u>3,258</u>	<u>(572)</u>	<u>(238)</u>	<u>(348)</u>

(iii) Non Cash Financing and Investing Activities

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

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 24: FINANCIAL INSTRUMENTS; INTEREST AND CREDIT RISK EXPOSURE

Exposure to interest rate risk on financial assets and liabilities is set out in the following table.

	Non- Interest Bearing \$'000	Fixed Interest Maturing				Floating Interest \$'000	Total \$'000
		Within 1 Year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	More than 5 years \$'000		
2007 Economic Entity							
Financial Assets							
Cash and cash equivalents	4	-	-	-	-	2,054	2,058
Trade and other receivables	8,135	-	-	-	-	-	8,135
Total Financial Assets	8,139	-	-	-	-	2,054	10,193
Range of effective interest rates						4.8 to 5.2%	
Financial Liabilities							
Trade and other payables	6,396	-	-	-	-	-	6,396
Bills payable	-	3,000	-	-	-	-	3,000
Lease liabilities	-	2	4	-	-	-	6
Total Financial Liabilities	6,396	3,002	4	-	-	-	9,402
Range of effective interest rates		6.4 to 6.9%	10.3 to 14.3%				
2006 Economic Entity							
Financial Assets							
Cash and cash equivalents	3	-	-	-	-	1,583	1,586
Trade and other receivables	9,810	-	-	-	-	-	9,810
Total Financial Assets	9,813	-	-	-	-	1,583	11,396
Range of effective interest rates						4.8 to 5.2%	
Financial Liabilities							
Trade and other payables	7,585	-	-	-	-	-	7,585
Bills payable	-	4,850	-	-	-	-	4,850
Other loans	-	209	-	-	-	-	209
Lease liabilities	-	43	35	-	-	-	78
Total Financial Liabilities	7,585	5,102	35	-	-	-	12,722
Range of effective interest rates		6.4 to 6.5%	10.3 to 14.3%				

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 24: FINANCIAL INSTRUMENTS; INTEREST AND CREDIT RISK EXPOSURE (continued)

Credit Risk Exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors.

	Economic Entity	
	2007	2006
NOTE 25: EARNINGS PER SHARE		
Basic earnings per share (cents)	8.4	4.8
Weighted average number of ordinary shares (number)	30,713,896	30,862,893
Earnings used to calculate basic earnings per share (\$)	2,575,000	1,486,000
Diluted earnings per share (cents)	8.4	4.8
Weighted average number of ordinary shares (number)	30,713,896	30,862,893
Earnings used to calculate diluted earnings per share (\$)	2,575,000	1,486,000

(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: CREDIT STANDBY ARRANGEMENTS AND LOAN FACILITIES

The economic entity has a commercial bill facility of \$5,200,000 (2006: \$5,200,000) provided by the economic entity's bankers. A deed of cross guarantee exists between Ambertech Limited and its subsidiaries, Amber Technology Limited and Alphan Pty Limited, in relation to security over the commercial facility.

	2007		2006	
	Used	Unused	Used	Unused
	\$'000	\$'000	\$'000	\$'000
Commercial Bill Facility	3,000	2,200	4,850	350

AMBERTECH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

Economic Entity		Parent Entity	
2007	2006	2007	2006
\$'000	\$'000	\$'000	\$'000

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

PKF New South Wales firm

Audit and review of financial reports, and other work under the Corporations Act 2001.

148	113	-	-
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Related practices of PKF New South Wales firm

Audit or review of financial reports of subsidiary

10	10	-	-
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Total remuneration for audit services

158	123	-	-
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Non-audit services

PKF New South Wales firm

Tax compliance services, including review of company income tax returns

20	63	-	-
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Tax consulting and tax advice on share buy back and capital reduction

18	19	-	-
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Indirect taxation consulting and tax advice on customs

-	16	-	-
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Related practices of PKF New South Wales firm

Tax compliance services, including review of company income tax returns

6	8	-	-
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Total remuneration for non-audit services

44	106	-	-
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It is the economic entity's policy to employ PKF on assignments additional to their statutory audit duties where PKF's expertise and experience with the economic entity are important. These assignments are principally tax advice or where PKF is awarded assignments on a competitive basis.

NOTE 28: 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

	2007	2006
	\$'000	\$'000
Dividends that have been fully franked:		
Amount in aggregate	921	1,852
Cents per share	3.0	6.0
Tax rate	30%	30%
Amount of franking credits available for subsequent reporting periods	5,637	4,920

AMBERTECH LIMITED
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DIRECTORS' DECLARATION

In the directors' opinion:

- a. the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's and economic entity's financial position as at 30 June 2007 and of its performance, as represented by the results of their operations, changes in equity and the cash flows, for the financial year ended on that date.
- b. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- c. the audited remuneration disclosures set out in the directors report comply with Accounting Standard AASB 124 Related Party Disclosures and the Corporations Regulations 2001.

The directors have been given the declarations by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

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

Director: 

P F Wallace

Director: 

P A Amos

Dated this 31st day of August 2007.
Sydney

INDEPENDENT AUDITOR'S REPORT

To the members of Ambertech Limited

Report on the financial report and AASB 124 remuneration disclosures contained in the directors' report

We have audited the accompanying financial report of Ambertech Limited (the company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the company and 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.

We have also audited the remuneration disclosures contained in the directors' report. As permitted by the *Corporations Regulations 2001*, the company has disclosed information about remuneration of directors and executives ('remuneration disclosures') required by accounting standard AASB 124 *Related Party Disclosures*, under the heading "remuneration report" in pages 3 to 7 of the directors' report and not in the financial report.

Directors' responsibility for the financial report and AASB 124 remuneration disclosures contained in the directors' report

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

The directors of the company are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's responsibility

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

PKF is a national association of independent chartered accounting and consulting firms, each trading as PKF. PKF Australia Ltd is also a member of PKF International, an association of legally independent chartered accounting and consulting firms.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity'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 and the remuneration disclosures in the directors' report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion on the financial report

In our opinion, the financial report of Ambertech Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Auditor's opinion on the AASB 124 remuneration disclosures contained in the directors' report

In our opinion the remuneration disclosures that are contained in pages 3 to 7 of the directors' report comply with Accounting Standard AASB 124.



PKF
New South Wales



Paul Bull
Partner

Sydney
31 August 2007