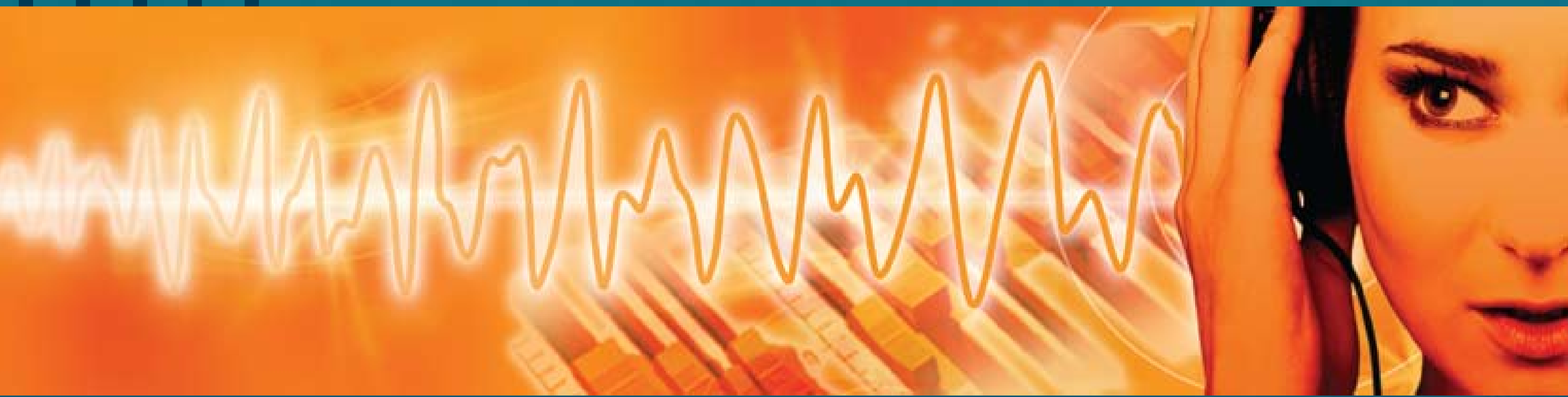

Annual Report

Annual Report for the year ended
30 June 2008

Ambertech Limited

ACN 079 080 158

Mission Statement

Corporate Mission

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

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

Contents

Chairman's Review

Chairman's Review

The 2008 financial year was one of continued improvement, both in the results and the key financial indicators of the business. EBIT for the financial year was $5,040,000, a significant improvement on the 2007 result of $3,794,000. Our EBIT to sales margin was 7.2%, up from 6.3% the previous financial year. EBIT to sales margin, adjusted for restructure costs was 9.7%. The result also provided strong operating cash flows of $3,608,000 for the financial year.

The result for the year included restructure costs of $1,721,000, incurred as a result of the changes made by Avid Technology Inc to their distribution model in Australia. The changes included the loss of exclusive rights to the distribution of Avid products in Australia. Staff loss and inventory redundancy contributed to the total restructure costs for the financial year.

The results for the year in our lifestyle entertainment segment reflect our success in working with our manufacturers to deliver products to market that meet our clients needs. Our product offering, coupled with some new marketing initiatives has enabled us to improve our market share into a retail sector that remained strong throughout the majority of the financial year.

In our professional business segment, the result for the year was impacted by a difficult period for products in our traditional broadcast and post production markets. This result was underpinned by strong sales of professional products, and we believe the restructure of this segment of the business has it well placed to take advantage of opportunities that may arise, and to improve our capacity to service current and future customers.

In New Zealand we returned an excellent result as we continue to invest in growing the range of consumer product offerings to complement our strong track records of sales in the broadcast and post production markets.

Early trading results for the 2009 financial year have been encouraging. Our lifestyle entertainment segment continues to evaluate ways of improving market share in a market that continues to offer challenges and has softened over the last 3-6 months. Our professional and broadcast markets have good clarity of project work over the coming 12 months and remain positive about our strong product offering. In New Zealand we are continuing to invest in broadening our areas of expertise.

Our forecasts for the year ending 30 June 2009 are for 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 segment.

To assist in achieving our goals we are constantly evaluating potential new agencies and or acquisitions.

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

P F Wallace
Chairman

P A Amos
Managing Director

Our Business and Brands

Our business and brands

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

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

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

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

BANDRIDGE Premium

Integra

TUBE-TECH

iPort

Gefen

VANTAGE CONTROLS

ADVENT COMMUNICATIONS

BOOTHROYD STUART MERIDIAN FAROUDJA

NEUTRIK

Screen Service

DAVID HORN COMMUNICATIONS LTD

SONANCE

EVS

tc electronic

OMNEON

Thoroughbred

LifeSize

Archion
Intelligent Storage for Content Creation

20 DigitalVision years looking good

ALTEC LANSING

PLANTRONICS
World Leader in Communications Headsets

EditShare
the smart way to edit together

Corporate Governance Statement

Corporate governance statement

This statement sets out the material governance principles and processes of Ambertech Limited. Unless otherwise stated, the practices outlined herein 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 (2.1).

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 committee contains only two members as it is would be inefficient for the structure of the board to have three members (4.3).

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.

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.

Compliance Summary

The Board of Directors of Ambertech Limited supports the ASX Principles of Good Corporate Governance and Good Practice Recommendations released by the ASX Corporate Governance Council. The Directors regard these principles and recommendations as the benchmark in checking its corporate governance responsibilities. Ambertech's compliance with the ASX Best Practice Recommendations can be best summarized in the following table:

	ASX Corporate Governance Principles and Recommendations	Compliance
1.1	Formalise and disclose the functions reserved to the board and those delegated to management.	Yes
2.1	A majority of the board should be independent director.	No
2.2	The chairperson should be an independent director.	Yes
2.3	The roles of chairperson and CEO should not be exercised by the same individual.	Yes
2.4	The board should establish a nomination committee.	Yes
3.1	Establish a code of conduct to guide directors, CFO and any other key executives as to: • the practices necessary to maintain confidence in the Company's integrity; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	Yes
3.2	Disclose the policy concerning trading company securities by directors, officers and employees.	Yes
4.1	Require the CEO and CFO to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.	Yes
4.2	The board should establish an audit committee.	Yes
4.3	Structure the audit committee so that it consists of only non-executive directors; a majority of independent directors; an independent chairperson who is not the chairperson of the board; and have at least 3 members.	No
4.4	The audit committee should have a formal charter.	Yes
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Yes
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	Yes
6.2	Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.	Yes
7.1	The board or appropriate board committee should establish policies on risk oversight and management.	Yes
7.2	The CEO and CFO should state to the board in writing that: • The statement in recommendation 4.1 is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board; and • The company's risk management and internal compliance and control system is operating efficiently and effectively in all material aspects.	Yes
8.1	Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.	Yes
9.1	Provide disclosure in relation to the company's remuneration policies to enable the investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.	Yes
9.2	The board should establish a remuneration committee.	Yes
9.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	Yes
9.4	Ensure that payment of equity based remuneration is made in accordance with thresholds set in plans approved by shareholders.	Yes
10.1	Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.	Yes

Financial Report

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 enitites, for the year ended 30 June 2008 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 48

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 the non-executive chairman 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 51

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 57

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

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

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

Edwin Francis Goodwin

Non-Executive Director

Aged 60

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 61

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 Business Development Director 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 102full time employees as at 30 June 2008 (2007: 96 employees).

AMBERTECH LIMITED
ACN 079 080 158
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 23.5% to $3,179,000 (2007: $2,575,000). Total revenues for the financial year increased by 16.6% to $69,876,000 (2007: $59,923,000). 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

Early trading results for the 2009 financial year have been encouraging. Our lifestlye entertainment segment continues to evaluate ways of improving market share in a market that continues to offer challenges and has softened over the last 3-6 months. Our professional and broadcast markets have good clarity of project work over the coming 12 months and remain positive about our strong product offering. In New Zealand we are continuing to invest in broadening our areas of expertise.

Our forecasts for the year ending 30 June 2009 are for 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 segment.

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

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

Non-Executive Director Remuneration

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

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

Executive Remuneration

Managing Director and Chief Financial Officer

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

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

KPIs are set annually by the remuneration 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.

Other Executives

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.

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

REMUNERATION REPORT (continued)

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

	2008	2007	2006	2005
Dividends paid (cents per share)	7.0	5.0	3.0	7.0
Closing share price at 30 June ($)	$0.65	$0.69	$0.47	$0.72
Share buy back ($'000)	-	75	5	-
Net profit after tax ($'000)	3,179	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	R Caston	General Manager, Broadcast & Professional
T Amos	Non-Executive Director	R McCleery	Director, Amber New Zealand
E Goodwin	Non-Executive Director	G Simeon	General Manager, Video & Audio Post Group
D Swift	Non-Executive Director	D Small	Business Development Manager, Lifestlye Entertainment
R Glasson	CFO, Company Secretary		

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

The nature and amount of each major element of the remuneration of each director of the 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.

REMUNERATION REPORT (continued)

Elements of Remuneration

2008	Short-term employment benefits		Post employment benefits	Share based payments			
Directors	Cash salary	Cash Bonus	Superannuation	Options	Total	% Performance Related	% Relating to Options
	$	$	$	$	$		
P Amos	321,101	26,000	40,899	20,597	408,597	6.4%	5.0%
P Wallace	50,000	-	4,500	9,799	64,299	0.0%	15.2%
T Amos	30,000	-	2,700	-	32,700	0.0%	0.0%
E Goodwin	-	-	32,700	-	32,700	0.0%	0.0%
D Swift	7,500	-	25,200	-	32,700	0.0%	0.0%
	408,601	26,000	105,999	30,396	570,996	4.6%	5.3%
Executives							
R Glasson	165,138	6,000	14,862	3,672	189,672	3.2%	1.9%
B Lee	160,550	81,885	15,569	3,672	261,676	31.3%	1.4%
R Caston	124,771	48,383	39,134	3,672	215,960	22.4%	1.7%
D Small	146,779	25,864	15,089	3,672	191,404	13.5%	1.9%
G Simeon	134,046	5,068	12,199	-	151,313	3.3%	0.0%
N Streatfield	212,546	16,250	15,049	3,672	247,517	6.6%	1.5%
R McCleery	119,373	-	-	3,672	123,045	0.0%	3.0%
	1,063,203	183,450	111,902	22,032	1,380,587	13.3%	1.6%

2007	Short-term employment benefits		Post employment benefits	Share based payments			
Directors	Cash salary	Cash Bonus	Superannuation	Options	Total	% Performance Related	% Relating to Options
	$	$	$	$	$		
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							
R Glasson	154,398	-	13,896	3,636	171,930	0.0%	2.1%
B Lee	135,993	37,345	15,600	3,636	192,574	19.4%	1.9%
R Caston	123,149	16,955	26,609	3,636	170,349	10.0%	2.1%
D Small	152,991	4,088	13,769	3,636	174,484	2.3%	2.1%
N Streatfield	177,203	-	27,948	3,636	208,787	0.0%	1.7%
J Fitzpatrick	126,662	-	-	3,636	130,298	0.0%	2.8%
R McCleery	123,037	10,897	12,054	3,636	149,624	7.3%	2.4%
	993,433	69,285	109,876	25,452	1,198,046	5.8%	2.1%

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 $388,000.

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 Granted	Exercise Period Start	Exercise Period Finish	Exercise Price	P Wallace	P Amos
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 Granted	Exercise Period Start	Exercise Period Finish	Exercise Price	R Glasson	B Lee	D Small	R Caston	R McCleery
7/12/2004	7/12/2004	7/12/2009	$1.20	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
7/12/2004	31/03/2005	31/03/2010	$1.20	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
7/12/2004	30/09/2005	30/09/2010	$1.20	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
7/12/2004	31/03/2006	31/03/2011	$1.20	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
7/12/2004	30/09/2006	30/09/2011	$1.20	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

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:

Director	Ordinary Shares	Options over Ordinary Shares
P Wallace	114,297	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
Relating to the previous year, paid during the year ended 30 June 2008:					
Final dividend	14/09/2007	28/09/2007	3.0	100%	30%
Declared and paid during the year ended 30 June 2008:					
Interim dividend	17/03/2008	31/03/2008	4.0	100%	30%
Declared after year end in respect of the year ended 30 June 2008:					
Final dividend	15/09/2008	30/09/2008	2.0	100%	30%

DIRECTORS' MEETINGS

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

	Board Meetings		Audit Committee Meetings		Remuneration Committee	
Director	Attended	Held	Attended	Held	Attended	Held
P Wallace	10	10	4	4	2	2
P Amos	10	10	-	-	-	-
T Amos	10	10	-	-	-	-
E Goodwin	10	10	4	4	-	-
D Swift	9	10	-	-	2	2

NON-AUDIT SERVICES

It is the Economic Entity's policy to employ PKF East Coast Practice (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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Audit services				
PKF				
Audit and review of financial reports, and other work under the Corporations Act 2001.	167	148	-	-
Related practices of PKF				
Audit or review of financial reports of subsidiary	10	10	-	-
Total remuneration for audit services	177	158	-	-
Non-audit services				
PKF				
Tax compliance services, including review of company income tax returns	38	20	-	-
Tax consulting and tax advice on share buy back and capital reduction	-	18	-	-
Related practices of PKF				
Tax compliance services, including review of company income tax returns	-	6	-	-
Total remuneration for non-audit services	38	44	-	-

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 11.

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 $18,983 (2007 $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 30th day of September 2008.
Sydney

PKF

Chartered Accountants
& Business Advisers

Auditor's Independence Declaration

As lead auditor for the audit of Ambertech Limited for the year ended 30 June 2008, 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
East Coast Practice

Paul Bull
Partner

Sydney
30 September 2008

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

Chartered Accountants
& Business Advisers

Independent Auditor's Report

To the members of Ambertech Limited

Report on the Financial Report

We have audited the accompanying financial report of Ambertech Limited (the company), which comprises the balance sheet as at 30 June 2008, 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.

Directors' Responsibility for the Financial 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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.

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

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

Tel: 61 2 9251 4100 | Fax: 61 2 9240 9821 | www.pkf.com.au
PKF | ABN 83 236 985 726
Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
DX 10173 | Sydney Stock Exchange | New South Wales

PKF

Chartered Accountants
& Business Advisers

Independence

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

Auditor's Opinion

In our opinion:

(a) the financial report of Ambertech Limited is in accordance with the *Corporations Act 2001*, including:

 (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 5 to 8 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Ambertech Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

PKF

PKF
East Coast Practice

Paul Bull
Partner

Sydney
30 September 2008

AMBERTECH LIMITED
ACN 079 080 158
INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		Economic Entity		Parent Entity	
		2008	2007	2008	2007
	Note	$'000	$'000	$'000	$'000
Revenues	3	69,876	59,923	3,070	4,000
Cost of sales	4	(45,109)	(41,041)	-	-
Gross profit		24,767	18,882	3,070	4,000
Other income	3	141	498	-	-
Employee benefits expense	4	(10,503)	(9,466)	(185)	(225)
Distribution costs		(1,234)	(714)	-	-
Marketing costs		(2,637)	(1,480)	-	-
Premises costs		(1,410)	(1,161)	-	-
Depreciation and amortisation expenses	4	(306)	(334)	-	-
Finance costs		(537)	(513)	-	-
Travel costs		(654)	(573)	-	-
Restructure costs		(1,721)	-	-	-
Other expenses		(1,169)	(1,777)	144	157
Profit before income tax	4	4,737	3,362	3,029	3,932
Income tax expense	5	(1,558)	(787)	(70)	264
Profit attributable to the members of the parent entity		3,179	2,575	2,959	4,196
Earnings per share					
Basic earnings per share	25	10.4	8.4		
Diluted earnings per share	25	10.4	8.4		

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 2008

		Economic Entity		Parent Entity	
		2008	2007	2008	2007
	Note	$'000	$'000	$'000	$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	24	4,634	2,058	13	13
Trade and other receivables	6	12,334	8,135	12,791	9,973
Tax receivable	7	283	1,071	283	1,043
Inventories	8	11,512	14,073	-	-
TOTAL CURRENT ASSETS		28,763	25,337	13,087	11,029
NON-CURRENT ASSETS					
Other financial assets	9	-	-	4,557	4,557
Plant and equipment	11	770	730	-	-
Intangible assets	12	2,970	2,970	-	-
Deferred tax assets	5	471	473	-	42
TOTAL NON-CURRENT ASSETS		4,211	4,173	4,557	4,599
TOTAL ASSETS		32,974	29,510	17,644	15,628
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	13	7,036	6,396	1,435	729
Other financial liabilities	14	4,502	3,002	-	-
Income tax payable		435	-	435	-
Provisions	15	827	821	-	-
TOTAL CURRENT LIABILITIES		12,800	10,219	1,870	729
NON-CURRENT LIABILITIES					
Other financial liabilities	14	-	4	-	-
Provisions	15	620	666	-	-
TOTAL NON-CURRENT LIABILITIES		620	670	-	-
TOTAL LIABILITIES		13,420	10,889	1,870	729
NET ASSETS		19,554	18,621	15,774	14,899
EQUITY					
Share Capital		11,190	11,190	11,190	11,190
Reserves		102	198	205	139
Retained earnings		8,262	7,233	4,379	3,570
TOTAL EQUITY		19,554	18,621	15,774	14,899

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

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	Share Capital $'000	Option Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total Equity $'000
Economic Entity					
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 income and expense for the year	-	-	100	2,575	2,675
Transactions with equity holders:					
Shares bought back during the year	(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**
Net exchange differences	-	-	(162)	-	(162)
Net income/(expense) recognised directly in equity	-	-	(162)	-	(162)
Profit for the year	-	-	-	3,179	3,179
Total income and expense for the year	-	-	(162)	3,179	3,017
Transactions with equity holders:					
Costs of share based payments	-	66	-	-	66
Dividends	-	-	-	(2,150)	(2,150)
	-	66	-	(2,150)	(2,084)
Balance as at 30 June 2008	**11,190**	**205**	**(103)**	**8,262**	**19,554**
Parent Entity					
Balance as at 30 June 2006	**11,265**	**65**	**-**	**295**	**11,625**
Profit for the year	**-**	**-**	**-**	**4,196**	**4,196**
Total income and expense for the year	-	-	-	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**
Profit for the year	-	-	-	2,959	2,959
Total income and expense for the year	-	-	-	2,959	2,959
Transactions with equity holders:					
Costs of share based payments	-	66	-	-	66
Dividends	-	-	-	(2,150)	(2,150)
	-	66	-	(2,150)	(2,084)
Balance as at 30 June 2008	**11,190**	**205**	**-**	**4,379**	**15,774**

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 2008

		Economic Entity		Parent Entity	
		2008	2007	2008	2007
	Note	$'000	$'000	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		71,243	67,249	-	-
Payments to suppliers and employees		(61,761)	(57,472)	24	(238)
Interest received		234	81	71	-
Interest and other costs of finance paid		(537)	(509)	-	-
Income taxes paid		(1,343)	(1,455)	-	-
Income taxes refunded		989	-	989	-
Goods and services tax remitted		(5,217)	(4,636)	-	-
Net cash provided by/(used in) operating activities	24	3,608	3,258	1,084	(238)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for plant and equipment		(351)	(113)	-	-
Repayment of loans by related parties		-	-	1,066	1,203
Net cash provided by/(used in) investing activities		(351)	(113)	1,066	1,203
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to shareholders		(2,150)	(921)	(2,150)	(921)
Proceeds from borrowings		1,500	-	-	-
Payments for shares bought back		-	(75)	-	(75)
Repayment of borrowings		(4)	(1,696)	-	-
Net cash (used in) financing activities		(654)	(2,692)	(2,150)	(996)
Net increase/(decrease) in cash and cash equivalents held		2,603	453	-	(31)
Cash and cash equivalents at beginning of year		2,058	1,586	13	44
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies at the beginning of the financial year.		(27)	19	-	-
Cash and cash equivalents at end of year	24	4,634	2,058	13	13

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

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

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 30 September 2008 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 2008 reporting periods.

(i) 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.

(ii) Revised AASB 101 "Presentation of Financial Statements" introduces as a financial statement the "statement of comprehensive income". The revised standard does not change the recognition, measeurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will apply for annual reporting periods beginning on or after 1 January 2009. Application of the revised AASB 101 will not result in changes to the amounts recognised in the financial report.

(iii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Accounting Standards 1, 101, 107, 111, 116, 138 and Interpretations 1 & 12 eliminates the option to expense borrowing costs on qualifying assets and requires that they be capitalised.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Overall policy (continued)

(iv) AASB 2008-1 Amendments to AASB 2 Share Based Payments clarifies that vesting conditions are restricted to service conditions and performance conditions only. This means that all other terms and conditions are accounted for in the value of the share or option at grant date. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. Application of the revised AASB 2008-1 will not result in changes to amounts reported in the financial report.

(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 12.

(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 10.

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.

<u>Sale of goods</u>

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.

<u>Rendering of services</u>

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

<u>Interest revenue</u>

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

<u>Dividend revenue</u>

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.

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:

Class of Asset	Useful life
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 equimpent 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.

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 volitility 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.

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.

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
NOTE 3: REVENUE				
Revenue				
- Sale of goods and services	69,642	59,842	-	-
- Interest received	234	81	70	-
- Dividends received	-	-	3,000	4,000
	69,876	59,923	3,070	4,000
Other income				
- Net gain on disposal of plant and equipment	-	5	-	-
- Net foreign currency gains	141	493	-	-
	141	498	-	-
NOTE 4: ITEMS INCLUDED IN PROFIT				
Additional information on the nature of expenses				
Inventories				
Cost of sales	45,109	41,041	-	-
Write down of inventories to net realisable value	517	181	-	-
Employee benefits expense				
Salaries and wages	10,288	9,380	225	225
Employee termination expense	215	86	-	-
	10,503	9,466	225	225
Depreciation				
Plant and equipment	164	177	-	-
Furniture and fittings	33	38	-	-
Leasehold improvements	106	95	-	-
	303	310	-	-
Amortisation				
Leased plant and equipment	3	24	-	-
Bad and doubtful debts	21	41	-	-
Rental expense on operating leases:				
Minimum lease payments	972	912	-	-

NOTE 5: INCOME TAXES

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Major components of income tax expense				
Current income tax expense	1,512	994	24	(47)
Under/(over) provision in prior years	155	(184)	155	(184)
Deferred taxes	(109)	(23)	(109)	(33)
Income tax expense	1,558	787	70	(264)
Reconciliation between income tax expense and prima facie tax on accounting profit (loss)				
Accounting profit (loss)	4,737	3,362	3,029	3,932
Tax at 30% (2007:30%)	1,421	1,009	909	1,180
Tax effect of non deductible expenses				
- Entertainment	76	22	-	-
- Other items	(94)	(60)	(94)	(60)
Tax effect of non assessable income				
- Dividends	-	-	(900)	(1,200)
Under/(over) provision for income tax in prior years	155	(184)	155	(184)
Income tax expense	1,558	787	70	(264)

Applicable tax rate

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

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Analysis of deferred tax assets				
Employee benefits	358	345	-	-
Allowance for doubtful accounts	14	14	-	-
Accrued expenses	51	73	-	-
Share based payments	-	42	-	42
Provision for obsolesence	35	-	-	-
Unrealised foreign currency translation	13	(1)	-	-
	471	473	-	42

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 2008.

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.

NOTE 6: TRADE AND OTHER RECEIVABLES

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Current				
Trade accounts receivable (a)	11,782	7,670	-	-
Provision for impairment of receivables (b)	(45)	(46)	-	-
	11,737	7,624	-	-
Receivable from related parties (refer note 21)	-	-	12,791	9,973
Other receivables (a)	275	117	-	-
Prepayments	322	394	-	-
	12,334	8,135	12,791	9,973

a Current trade and other receivables are non-interest bearing loans, generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that a trade or other receivable is impaired. These amounts have been included in the other expenses item.

b Movement in the provision for impairment of receivables is as follows:

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Current trade receivables				
Opening balance	46	60	-	-
Charge for the year	20	27	-	-
Amounts written off	(21)	(41)	-	-
Closing balance	45	46	-	-

c The consolidated entity's exposure to credit risk and impairment losses related to trade and other receivables is disclosed at note 25.

NOTE 7: CURRENT TAX RECEIVABLE AND PAYABLE

The current tax payable of $435,000 (2007: Nil) represents the amount of income tax in respect of current and prior financial periods. The current tax receivable in the parent entity of $283,000 (2007: $1,043,000) and for the economic entity of $283,000 (2007: $1,071,000) represents the amount of income tax recoverable in respect of current and prior years that arise from the payment of tax in excess of amounts due to the relevant tax authority.

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000

NOTE 8: INVENTORIES

Current				
Finished goods	11,154	12,628	-	-
Stock in transit	509	1,634	-	-
	11,663	14,262	-	-
Provision for obsolesence	(151)	(189)	-	-
	11,512	14,073	-	-

NOTE 9: OTHER FINANCIAL ASSETS

Non Current				
Investment in subsidiares - at cost (refer note 10)	-	-	4,557	4,557

NOTE 10: CONTROLLED ENTITIES

Entity	Country of Incorporation	Percentage Owned 2008	Percentage Owned 2007
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%

NOTE 11: PLANT AND EQUIPMENT

Non-Current

	Gross Carrying Amount		Accumulated depreciation		Net carrying amount	
	2008	2007	2008	2007	2008	2007
	$'000	$'000	$'000	$'000	$'000	$'000
Economic Entity						
Plant and equipment	1,719	1,701	(1,417)	(1,405)	302	296
Furniture and fittings	392	355	(267)	(238)	125	117
Leasehold improvements	731	596	(390)	(284)	341	312
Leased plant and equipment	10	11	(8)	(6)	2	5
Total plant and equipment	2,852	2,663	(2,082)	(1,933)	770	730

Reconciliation of carrying amounts:

2008	Plant and Equipment $'000	Furniture and Fittings $'000	Leasehold Improvements $'000	Leased Plant and equipment $'000	Total $'000
Economic Entity					
Balance at the beginning of the year	296	117	312	5	730
Additions	177	41	135	-	353
Disposals	(5)	(2)	-	-	(7)
Depreciation expense	(164)	(33)	(106)	(3)	(306)
Effect of change in foreign currency	(2)	2	-	-	-
Carrying amount at the end of the year	302	125	341	2	770

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

The parent entity does not own any plant and equipment.

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
NOTE 12: INTANGIBLE ASSETS				
Non-Current				
Goodwill at cost	2,970	2,970	-	-

(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
2008			
Lifestyle Entertainment	1,539	-	1,539
Professional	1,387	-	1,387
New Zealand	-	44	44
	2,926	44	2,970
2007			
Lifestyle Entertainment	1,539	-	1,539
Professional	1,387	-	1,387
New Zealand	-	44	44
	2,926	44	2,970

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 9.31% (2007: 7.32%) 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.

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
NOTE 13: TRADE AND OTHER PAYABLES				
Current				
Trade accounts payable	3,741	3,852	-	-
Other accounts payable	3,295	2,544	-	-
Due to related parties (refer note 21)	-	-	1,435	729
	7,036	6,396	1,435	729
Amounts payable in foreign currencies:				
Trade accounts payable:				
- US Dollars	891	1,486	-	-
- British Pound	24	580	-	-
- Euro	1,210	362	-	-
- Swiss Francs	167	191	-	-
- New Zealand Dollars	350	40	-	-
- Japanese Yen	-	6	-	-
	2,642	2,665	-	-
NOTE 14: OTHER FINANCIAL LIABILITIES				
Current				
Bills payable (a)	4,500	3,000	-	-
Lease liability (b)	2	2	-	-
	4,502	3,002	-	-
Non-Current				
Lease liability (b)	-	4	-	-

Details of the economic entity's exposure to interest rate changes on other financial liabilities is outlined in note 25.

During the current and prior years, there were no defaults or breaches on any of the liabilities

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

a. Bills payable

Bills payable are a part of the multi-option borrowing facility in place that includes flexible overdraft and commercial bill components. The facility is secured by a charge over the assets of Amber Technology Limited. Guarantees are in place to a limit of $5,200,000 (2007:$5,200,000). The value of assets at balance date is $29,395,000 (2007: $26,413,000).

b. Lease liabilities

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

NOTE 15: PROVISIONS

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Current				
Service warranty	165	207	-	-
Employee benefits	662	614	-	-
	827	821	-	-
Non Current				
Employee benefits	620	666	-	-

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:

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Opening balance	207	206	-	-
Additional provision recognised	120	168	-	-
Reductions resulting from payments	(162)	(167)	-	-
Closing balance	165	207	-	-

NOTE 16: SHARE CAPITAL

	No. Shares	
	2008	2007
Issued: Ordinary Shares fully paid (no par value)	30,708,305	30,708,305
Movements during the year		
Opening balance	30,708,305	30,853,305
Shares bought back during the year	-	(145,000)
Closing balance	30,708,305	30,708,305

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 2008 the company bought back nil (2007: 145,000) shares.

NOTE 17: RESERVES

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Foreign currency translation reserve (a)	(103)	59	-	-
Share based payments reserve (b)	205	139	205	139
	102	198	205	139

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(s). The reserve is recognised in profit and loss when the net investment is disposed of.

(b) Share based payments reserve

The share based payments reserve is used to recognise the fair value of options issued but not exercised.

NOTE 18: COMMITMENTS FOR EXPENDITURE

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Finance lease commitments				
Payable:				
Not later than 1 year	2	2	-	-
Later than 1 year but not later than 5 years	-	5	-	-
Minimum lease payments	2	7	-	-
Less future finance charges	-	(1)	-	-
	2	6	-	-
Operating lease commitments				
Payable:				
Not later than 1 year	927	770	-	-
Later than 1 year but not later than 5 years	3,692	4,049	-	-
Later than 5 years	5	-	-	-
Minimum lease payments	4,624	4,819	-	-

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.

Operating lease commitments include future payments under an equipment financing agreement payable quarterly in advance. The total facility available is for $1,000,000, and at balance date there was $537,000 available in unused facility.

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
NOTE 19: 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	257	257	-	-
	257	257	-	-

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

NOTE 20: 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 21: RELATED PARTY TRANSACTIONS

Parent and unltimate controlling entity

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

Transactions between related parties

- Current receivables from subsidiaries	-	-	12,791	9,651
- Current payables to subsidiaries	-	-	1,435	781

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	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Summary				
- Short term employee benefits	1,682	1,534	88	140
- Post employment benefits	218	161	65	10
- Share based payments	52	55	52	55
	1,952	1,750	205	205

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

NOTE 22: 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 2008	Number of Options over Ordinary Shares 2007
Employee Share Option Plan		
Held by employees at the beginnining 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	950,000	850,000

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

Date Granted	Exercise Period Start	Exercise Period Finish	Exercise Price	Balance at start of year	Granted during the year	Balance at end of year	Exercisable at end of year
Consolidated and parenty entity 2008							
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	100,000
				950,000	-	950,000	950,000
Weighted average exercise price				$1.23		$1.23	$1.23

NOTE 22: 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 parenty 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	-
				950,000	-	950,000	850,000
Weighted average exercise price				$1.23		$1.23	$1.23

	Economic Entity 2008	Economic Entity 2007	Parent Entity 2008	Parent Entity 2007
Fair value of options granted				
Share options granted during the year:				
Weighted average fair value at measurement date	$0.65	$0.69	$0.65	$0.69
Fair value was measured using the Black-Scholes option pricing model. Inputs to that model was as follows:				
- share price at grant date	$0.87	$0.87	$0.87	$0.87
- weighted average exercise price	$1.23	$1.23	$1.23	$1.23
- option life	5 yrs	5 yrs	5 yrs	5 yrs
- risk-free interest rate	6.0%	6.0%	6.0%	6.0%
- expected dividend yield	2.0%	2.0%	2.0%	2.0%
- expected volatility	71.4%	71.4%	71.4%	71.4%

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

NOTE 23: 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.
New Zealand	Distribution of a wide range of quality products for both professional and consumer markets in New Zealand.

2008	Professional	Lifestyle Entertainment	New Zealand	Eliminations	Economic Entity
	$'000	$'000	$'000	$'000	$'000
Revenue					
- Sales to external customers	26,333	38,780	4,529	-	69,642
- Inter-segment sales	870	-	-	(870)	-
Total sales revenue	27,203	38,780	4,529	(870)	69,642
Result					
- Segment EBIT	1,828	4,872	551	-	7,251
- Restructure costs	(1,721)	-	-	-	(1,721)
- Segment Result	107	4,872	551	-	5,530
- Unallocated/corporate result					(490)
- EBIT					5,040
- Net interest					(303)
- Profit before income tax					4,737
- Income tax expense					(1,558)
- Profit for the year					3,179
Assets					
- Segment Assets	9,345	16,109	2,014	-	27,468
- Unallocated/corporate assets					5,506
- Total assets					32,974
Liabilities					
- Segment Liabilities	1,911	480	1,113	-	3,504
- Unallocated/corporate liabilities					9,916
- Total liabilities					13,420
Other					
- Acquisition of non current segment assets	-	-	-	-	-
- Unallocated/corporate assets					351
					351
- Depreciation and amortisation of segment assets	-	-	-	-	-
- Unallocated depreciation and amortisation					306
					306
- Other non-cash expenses	-	-	-	-	-
- Unallocated other non-cash expenses					-
					-

NOTE 23: SEGMENT REPORTING (continued)

2007	Professional $'000	Lifestyle Entertainment $'000	New Zealand $'000	Eliminations $'000	Economic Entity $'000
Revenue					
- Sales to external customers	29,511	27,565	2,766	-	59,842
- Inter-segment sales	1,088	-	-	(1,088)	-
Total sales revenue	30,599	27,565	2,766	(1,088)	59,842
Result					
- Segment result	2,820	873	5	-	3,698
- Unallocated/corporate result					96
					3,794
- Net interest					(432)
- Profit before income tax					3,362
- Income tax expense					(787)
- Profit for the year					2,575
Assets					
- Segment Assets	8,918	12,755	1,396	-	23,069
- Unallocated/corporate assets					6,441
- Total assets					29,510
Liabilities					
- Segment Liabilities	2,006	638	539	-	3,183
- Unallocated/corporate liabilities					7,706
- Total liabilities					10,889
Other					
- Acquisition of non current segment assets	-	-		-	-
- Unallocated/corporate assets					113
					113
- Depreciation and amortisation of segment assets	-	-		-	-
- Unallocated depreciation and amortisation					334
					334
- Other non-cash expenses	-	-		-	-
- Unallocated other non-cash expenses					-
					-

NOTE 23: SEGMENT REPORTING (continued)

Secondary reporting - Geographical Segments

	Segment Revenues from Sales to External Customers		Carrying Amount of Segment Assets		Acquisition of Non-Current Assets	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Geographical Location						
- Australia	65,113	57,076	25,454	21,673	351	113
- New Zealand	4,529	2,766	2,014	1,396	-	-
	69,642	59,842	27,468	23,069	351	113

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
ACN 079 080 158
NOTES TO THE CASH FLOW STATEMENTS

NOTE 24: CASH FLOW INFORMATION

(i) Cash and cash equivalents

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

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Cash on hand	3	4	-	-
At call deposits with financial institutions	4,631	2,054	13	13
	4,634	2,058	13	13

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

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Profit for the year	3,179	2,575	2,959	4,196
Depreciation and amortisation	306	334	-	-
Net (gain) on disposal of plant and equipment	-	(5)	-	-
Borrowing expenses	1	4	-	-
Dividend income	-	-	(3,000)	(4,000)
Net exchange differences	(140)	(350)	-	-
Non-cash share based payments	66	74	66	74
Changes in operating assets and liabilities				
(Increase)/Decrease in accounts receivable	(4,370)	1,852	-	-
(Increase)/Decrease in prepayments	96	(177)	-	-
Decrease in inventories	2,428	186	-	-
(Increase)/Decrease in tax receivable	1,213	(259)	1,016	(541)
Increase/(Decrease) in payables	862	(1,189)	-	-
Increase/(Decrease) in provisions	(24)	188	-	-
(Increase)/Decrease in deferred taxes	(9)	25	42	33
Net cash provided by/(used in) operating activities	3,608	3,258	1,083	(238)

(iii) Non Cash Financing and Investing Activities

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

NOTE 25: FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

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

Trade and other receivables

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

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

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

NOTE 25: FINANCIAL RISK MANAGEMENT (continued)

The ageing of trade receivables at the reporting date was:

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Not past due	7,354	5,141		
Past due up to 30 days	3,324	1,952	-	-
Past due 31-60 days	535	252	-	-
Past due 61 days and over	523	279	-	-
Total trade receivables not impaired	11,736	7,624	-	-
Trade receivables impaired	45	46	-	-
Total trade receivables	11,781	7,670	-	-

The parent entity and economic entity do not have other receivables which are past due (2007: Nil).

Liquidity Risk

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

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

	Contractual Cash Flows				
	Less than 3 months $'000	3 to 6 months $'000	6 to 12 months $'000	More than 12 months $'000	Total $'000
Economic Entity					
2008					
Trade and other payables	7,036	-	-	-	7,036
Commercial Bills	1,500	3,000	-	-	4,500
Lease liabilities	1	1	-	-	2
	8,537	3,001	-	-	11,538
Economic Entity					
2007					
Trade and other payables	6,396	-	-	-	6,396
Commercial Bills	3,000	-	-	-	3,000
Lease liabilities	1	1	-	-	2
	9,397	1	-	-	9,398

The economic entity also has a number of premises under operating lease commitments. The future contracted commitment at year end is disclosed at note 18.

NOTE 25: FINANCIAL RISK MANAGEMENT (continued)

Market Risk

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

Foreign Currency Risk

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

The board has adopted a policy requiring management of the foreign exchange risk against the functional currency. The economic entity is required to hedge the exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts. The amount of foreign currency denominated payables outstanding at balance date is disclosed at note 13.

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

	Weakening of 10%		Strengthening of 10%	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Impact on profit	(116)	(227)	116	227
Impact on equity	(116)	(227)	116	227

NOTE 25: FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

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

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

	Note	Weighted average interest rate		Balance	
		2008	2007	2008	2007
		%	%	$'000	$'000
Commercial Bills	14	8.35%	6.91%	4,500	3,000
Overdraft		-	-	-	-

The following table demonsatrates the impact on the profit and equity of the consolidated entity if the average interest rate on the multi option borrowing facility had either increased or decreased by 1% over the whole year ending 30 June 2008, with all other variables remaining constant:

	Increase of 1% of average interest rate		Decrease of 1% of average interest rate	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Impact on profit	(42)	(46)	42	46
Impact on equity	(42)	(46)	42	46

The parent entity does not carry any borrowings subject to fixed or variable interest rates.

Net Fair Values

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

Capital Management

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

Total capital is defined as shareholders' equity. The Board monitors the return on capital, which is defined as net operating income divided by total shareholders' equity. The Board also establishes a dividend payout policy which is targeted as being greater than 50% of earnings, subject to a number of factors, including the capital expenditure requirements and the company's financial and taxation position. Dividend payout for the year ended 30 June 2008 is 57.9% (2007: 59.6%).

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

NOTE 26: EARNINGS PER SHARE

	Economic Entity 2008	Economic Entity 2007
Basic earnings per share (cents)	10.4	8.4
Weighted average number of ordinary shares (number)	30,713,896	30,713,896
Earnings used to calculate basic earnings per share ($)	3,179,000	2,575,000
Diluted earnings per share (cents)	10.4	8.4
Weighted average number of ordinary shares (number)	30,713,896	30,713,896
Earnings used to calculate diluted earnings per share ($)	3,179,000	2,575,000

(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 27: 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

	2008	2007
Dividends that have been fully franked:		
Amount in aggregate ($'000)	2,150	921
Cents per share	7.0	3.0
Tax rate	30%	30%
Amount of franking credits available for subsequent reporting periods ($'000)	5,762	5,637

NOTE 28: 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:

	Economic Entity 2008 $'000	Economic Entity 2007 $'000	Parent Entity 2008 $'000	Parent Entity 2007 $'000
Audit services				
PKF				
Audit and review of financial reports, and other work under the Corporations Act 2001.	167	148	-	-
Related practices of PKF				
Audit or review of financial reports of subsidiary	10	10	-	-
Total remuneration for audit services	177	158	-	-
Non-audit services				
PKF				
Tax compliance services, including review of company income tax returns	38	20	-	-
Tax consulting and tax advice on share buy back and capital reduction	-	18	-	-
Related practices of PKF				
Tax compliance services, including review of company income tax returns	-	6	-	-
Total remuneration for non-audit services	38	44	-	-

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.

AMBERTECH LIMITED
ACN 079 080 158
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 2008 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 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	P A Amos

Dated this 30th day of September 2008.
Sydney

Shareholder Information

Shareholder Information

Distribution of equity security by size of holding:

			Ordinary Shares
1	-	1,000	84
1001	-	5,000	131
5001	-	10,000	92
10001	-	100,000	97
100001	and	over	18
Total			**422**

The number of security investors holding less than a marketable parcel of 747 securities is 12 and they hold 5,893 securities.

Equity Security Holders

Rank	Twenty largest holders	Number of shares	Percentage of total capital
1	Wavelink Systems Pty Ltd	5,434,625	17.70%
2	Howbay Pty Ltd	2,883,556	9.39%
3	Wygrin Pty Ltd	2,692,556	8.77%
4	Kestrel Capital Pty Limited (Kestrel Secondaries Fund 1)	2,644,802	8.61%
5	Crowton Pty Ltd (Amos Super Fund)	2,193,181	7.14%
6	Crowton Pty Limited	2,082,162	6.78%
7	Nanyang Australia Limited	2,000,464	6.51%
8	HGL Group Pty Ltd	1,856,641	6.05%
9	Appwam Pty Limited	1,500,000	4.88%
10	Kestrel Capital Pty Ltd (ATF Kestrel Sec Fund 1)	1,475,865	4.81%
11	Mr Joseph Grech	413,045	1.35%
12	Mr Ralph McCleery	357,599	1.16%
13	Mr Joseph Paul Grech & Ms Deborah Lee Grech	333,261	1.09%
14	Carnethy Evergreen Pty Ltd (Carnethy Evergreen Fund A/C)	200,000	0.65%
15	Dorran Pty Ltd	200,000	0.65%
16	Wygrin Pty Ltd (Wygrin Pension Fund)	191,000	0.62%
17	Mr Edward James Dally	125,000	0.41%
18	Mr Donald G MacKenzie & Mrs Gwenneth E MacKenzie	112,000	0.36%
19	Viewade Pty Limited (Oliver Super Fund A/C)	100,000	0.33%
20	Mr Edward Fabrizio & Mrs Rosalie Fabrizio	100,000	0.33%
	Total for Top 20	**26,895,757**	**87.58%**

Notes

Notes

Corporate Directory

Corporate Directory

Ambertech Limited	ACN 079 080 158	
Directors	Chairman – Non-Executive Director	Peter Francis Wallace
	Managing Director	Peter Andrew Amos
	Non-Executive Director	Thomas Robert Amos
	Non-Executive Director	Edwin Francis Goodwin
	Non-Executive Director	David Rostil Swift
Company Secretary	Robert John Glasson	
Registered Office	Unit B 5 Skyline Place Frenchs Forest NSW 2086 Tel: 61 2 9452 8600 Fax: 61 2 9975 1368	
Accountants and Auditors	PKF Chartered Accountants and Business Advisors Level 10, 1 Market Street Sydney NSW 2000	
Share Registry	Link Market Services Locked Bag A14 Sydney South NSW 1235 or Level 12, 680 George Street Sydney NSW 2000 Tel: 02 8280 7111	
Stock Exchange Listing	Australian Stock Exchange ASX Code: AMO	

PO Box 942 Brookvale
NSW 2100 Australia

Unit B 5 Skyline Place
Frenchs Forest NSW 2086

Email: info@ambertech.com.au
Phone: 02 9452 8600
Fax: 02 9975 1368

www.ambertech.com.au

Ambertech
LIMITED