2021

ANNUAL REPORT

Ambertech LIMITED

SOURCE SUPPLY SUPPORT

MISSION STATEMENT

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 stake holders through our proven ability to integrate, implement and commercialise existing and emerging technologies.

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LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board and management of Ambertech we would like to present you with the 2021 Annual Report. It is very pleasing to be able to report on a very successful year in which the company reported record sales and profit. We have also achieved strong operating cash flow that has seen a significant reduction in the net debt of the business over the course of the year.

At various stages during the year the influence of COVID-19 generated significant challenges to our traditional methods of conducting business. With the inability to travel, and with general communication with clients and business partners being limited to phone and online interaction, our team have had to remain agile and flexible. It is a credit to our fantastic team that these results have been achieved during these uncertain times.

We were able to achieve organic growth across each of our business segments, both in Australia and New Zealand. We have a very clear strategy of providing each of our markets with the supply and support of marketing leading brands. We are constantly evaluating methods of achieving growth from our existing agencies.

A major driver of improved performance was our successful integration of the acquired Hills AV business, and the full year contribution to our results this year. This acquisition was part of a clear strategy to leverage the investment that has previously been made in infrastructure and people in our business, allowing us to scale our operation without further adding substantial fixed cost.

We remain thorough in evaluating opportunities to further grow in each of our market segments either through agency growth or via acquisition. We also see further capacity in some of the markets that have been more greatly impacted by COVID-19 as they rebound, including tertiary education, live events, and the export market for our Australian Monitor brand.

From an investor relations perspective we are working diligently on improving our engagement with the market and on enhancing shareholder value through more consistent returns. We look forward to welcoming as many of you as possible to our AGM in December where we will provide a further update on trading for the current year.

On behalf of the Board of Ambertech Limited

Peter Wallace
Chairman

Peter Amos
Managing Director

FINANCIAL YEAR 2021 SUMMARY

Record Full Year Revenue of **$80.1M** up 36.5%

Net Profit after Tax of **$5.1M** up 549.2%

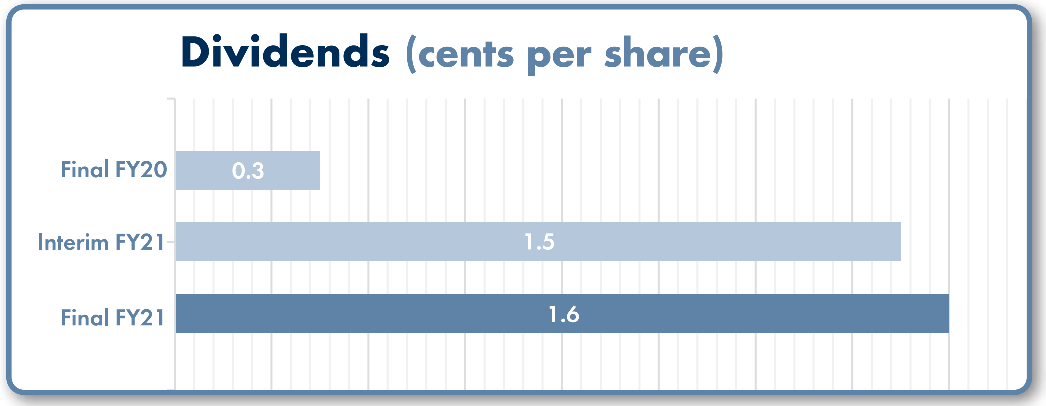
Earnings per Share of **6.7c** up 5.3c%

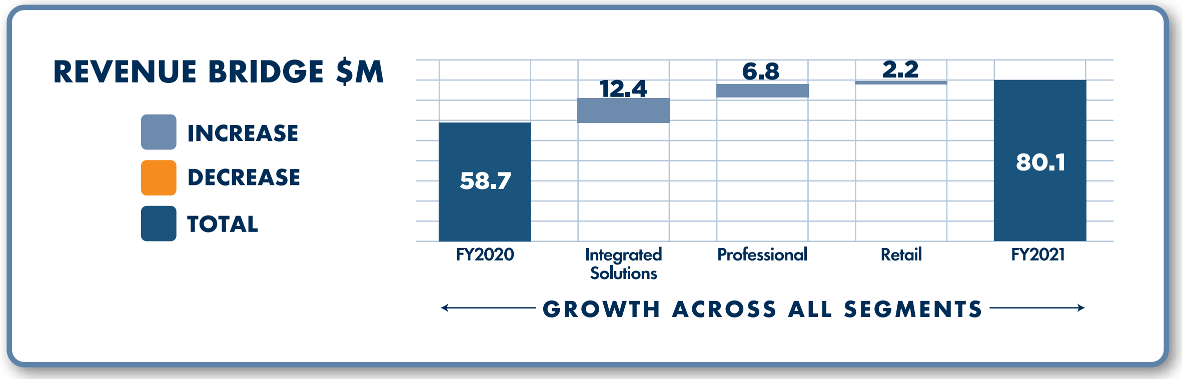
Annual Dividend per Share of **3.1c** up 2.8c

Operating cash flow of **$5.5M** up $4.2m

Net debt reduced to **$0.9M** down $2.9m

Results for the year ended 30 June	2021	% of Sales	2020	% of Sales
Sales Revenue				
Integrated Solutions	$36.3m	45%	$23.9m	45%
Professional	$32.5m	41%	$25.7m	41%
Retail	$11.3m	14%	$9.0m	14%
Total	$80.1m		$58.7m	
EBITDA	$8.0m	10%	$3.3m	10%
EBIT	$6.4m	8%	$1.9m	8%
Net Profit before tax	$5.3m	7%	$0.5m	7%
Net Profit after tax	$5.1m	6%	$0.8m	6%





OUR BUSINESS

Our business segments operate across both the Australian and New Zealand markets.

INTEGRATED SOLUTIONS SEGMENT

Supporting our dealer network with world class product solutions and support.

- **Residential Installations**

  Audio visual and infrastructure brands for home cinema, multi room AV and more.

- **Commeercial Installations**

  Audio visual and infrastructure brands for commercial custom installation projects.

PROFESSIONAL SEGMENT

Supporting a strong dealer network and a range of media and communications users with world class product solutions and ongoing support including SaaS.

- **Media Systems**

  From content creation and acquisition, delivery, processing and asset management, Amber Technology can offer turnkey packages for creating, delivering and managing all types of media content.

- **Defence, Law Enforcement and Security**

  Specialised data communications and video technology for defence, law enforcement and security.

- **Professional Products**

  Amber's Professional Products group has a strong reputation as a preferred supplier of high technology equipment for live sound in many different industry segments, including touring artists, live stage shows, film and television productions, broadcast news and sports, through to smaller sound installations in education facilities, houses of worship and smaller venues.

- **Musical Instruments**

  Guitars, instrument and music technology for musicians of all levels.

RETAIL SEGMENT

Our focus is on offering a comprehensive selection of high end audio visual and accessory brands for end users.

The Major Retail division works with home electronics retailers nationally, mass markets retail chains and independent specialist outlets to supply home entertainment solutions for consumers in the residential market.

OUR BRANDS

AC Infinity
Accent Audio
Accent Visual
Advanced Network Telemetry
Aja
Ambertec Cables
Arista
ASL
Ateme
Audalize
Australian Monitor
Autoscript
AVer
Avid
Aviwest
Barix
BATS Wireless
BirdDog
Black Mountain
Blue Lucy
Canare
Chiayo Electronics
Cioks
CME
CP Cases
DALI
David Horn Communications
Dell EMC
Denon Pro
Digital Projection
DNH
DPA Microphones
Dynaudio Professional
Embrionix
Emotion Systems
Embrace
Evoko
EVS
Framus Guitars
GB Labs
Grandview Screens
Grass Valley
Haivision
HDAnywhere
Hotone
ICE Cables
iPort
James Loudspeaker
Jays
JTS Microphones
Learning Glass
Liberty AV
Litepanels
LP Morgan
MC2
MP Antennas
Neutrik
Newline Interactive
Newtek
Nexidia
NTi Audio
Nura
One For All
One Systems
Optoma
Pakedge
Panasonic
Peavey Media Matrix
Peterson
Philips Projection
Plura
Primacoustic
Radial Engineering
Rean
Renkus Heinz
Ritcher
Rockboard
Rock-n-Roller
Roland
Sadowsky Guitars
Silvus Technologies
Solid State Logic
Sonance
Soundsphere
Spectra Logic
Strymon
SurgeX
Teenage Engineering
Telestream
Tonebone
Troll Systems
Van Damme
Videssence
Vinten
Vipranet
Walla Walla Guitars
Warwick Basses
Well AV
Williams AV
WolfVision
Woody Technologies
WyreStorm
Xilica Audio Design
XTA Electronics
Yamaha Revolabs

INTEGRATED SOLUTIONS SEGMENT

The 2021 Financial Year marked the first full year following the acquisition of the Hills AV business and its integration into our Integrated Solutions business.

RESIDENTIAL INSTALLATIONS

In the specialist residential AV market (residential installers and hi-fi dealers) we experienced strong demand as homeowners invested in entertainment products to ease the burden of prolonged lockdowns. Installed audio products and home theatre projectors sold heavily during this period.

Dali iO Headphones and Rubicon Series

Our Australian Monitor team successfully launched a new range of products to complete the ES series of entry level product. Ongoing development of the state partner program with key resellers has also been instrumental in providing improved support for our customers. Our research and development team continue to develop new product despite some redesigns required due to semiconductor shortages in the industry.

The Estate - Sonance

Across the business, we have contended with rising inbound freight charges, price increases from suppliers and interruptions to the supply chain. By carefully managing pricing – taking into account the delicate balance between competitive value and total cost of goods sold – we were able to maintain appropriate gross margins, which allowed us to deliver the services our customers demand while remaining strong and healthy for the future.

iPort

COMMERCIAL INSTALLATIONS

In the commercial AV market, we experienced pleasing growth, despite the impacts of COVID-19. Some vertical markets (such as tertiary education and transportation hubs) were impacted by the many COVID-related travel restrictions and lockdowns, but these were more than offset by growth in horizontal applications such as teleconferencing and distance education.

The addition of the customers, staff and brands arising from the Hills transaction continued to deliver economies of scale across the business: more customers bought more products from our larger and more effective sales team.

The situation was similar in New Zealand, although the details of the COVID-19 restrictions were somewhat different: more customers, more brands and more staff on the ground contributed to solid sales growth.

One Systems outdoor speakers

Bar83, Sydney Tower - Sonance

Silks Restaurant, Darwin - Australian Monitor

SimVis Flight Simulator

PROFESSIONAL SEGMENT

MEDIA SYSTEMS

Despite the restrictions associated with COVID-19, the Media Systems team were able to maintain revenue as clients looked to adopt new technologies to allow their operations to continue around these same restrictions. Amber was able to take advantage of the need for media companies to look at new ways of working and to increase operational efficiencies.

Significant projects for 2021 included Vinten camera robotics for Seven and Nine, EVS upgrades for Seven, SBS and TEN, and Telestream processing for Fox Sports, Damsmart and Transmedia Dynamics. We also completed the delivery of the major EVS upgrade project for the ABC.

Looking forward to the new financial year, the team are pursuing a number of significant projects for system refreshes, relocations and for the adoption of new technologies. An expanded portfolio of suppliers has opened new areas of business in delivering Software as a Service (SaaS) and Platform as a Services (PaaS) options.

We continue to pursue a growing client footprint in New Zealand and new opportunities in ‘non-traditional’ media areas.

Vinten camera robotics

Vinten camera robotics at Seven Network

EVS upgrade at ABC Sydney

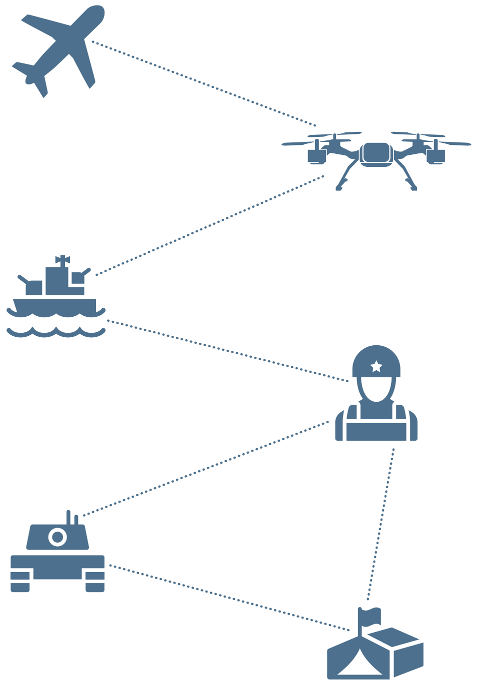
DEFENCE, LAW ENFORCEMENT AND SECURITY (DLES)

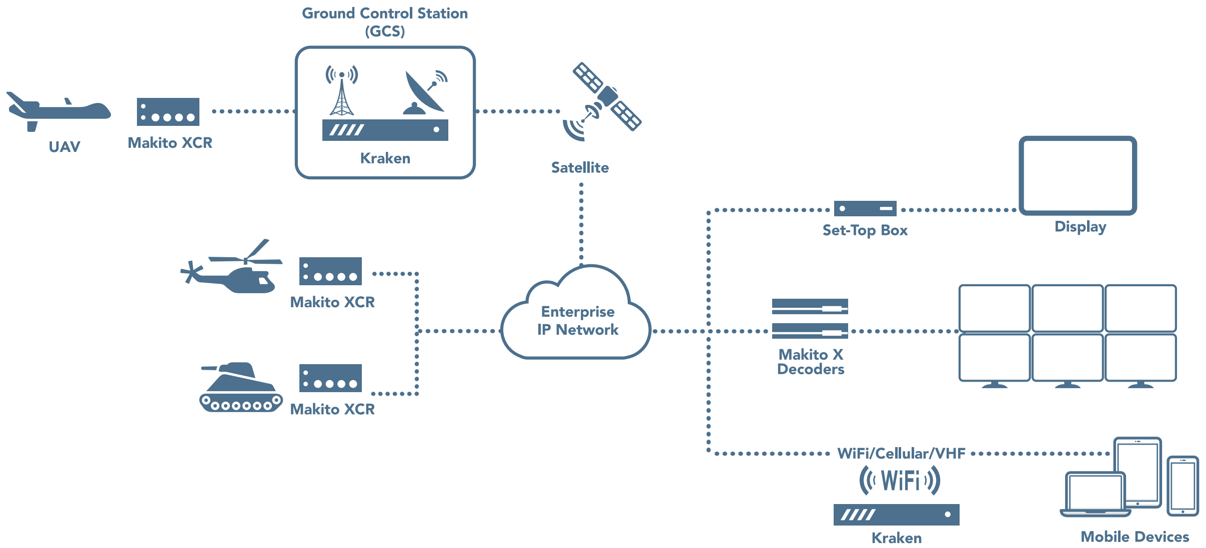
Significant contracts with defence and police agencies, focused in WA, delivered results enabling staff expansion with a full time support and Business Development resource in that state. In the face of COVID travel restrictions, this has proved extremely beneficial through the deployment and commissioning of major projects.

Significant deliveries in WA were made to West Australian Police Force, Australian Army and WA Department of Fire and Emergency Services.

A successful showing at the Land Forces conference in Brisbane confirmed that our presence in this market is widely accepted now, with many key primes and other purchasing entities attending our stand and indicating their comfort in doing business with us.

Our work with emergency services and the police continues, with several new trials under way, and a continuation of expansion for our in-service systems.

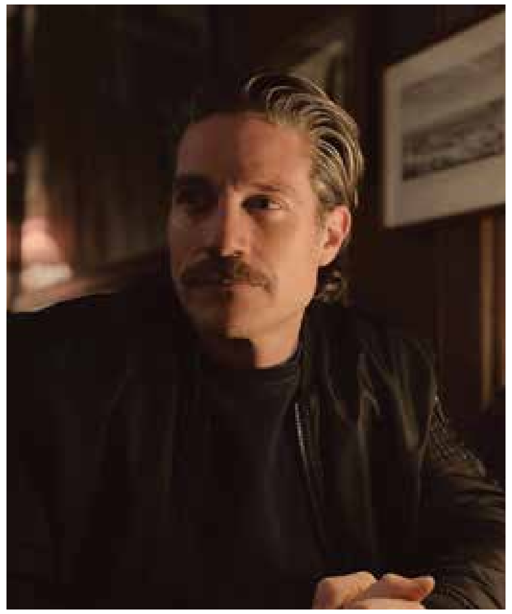




PROFESSIONAL SEGMENT (CONT)

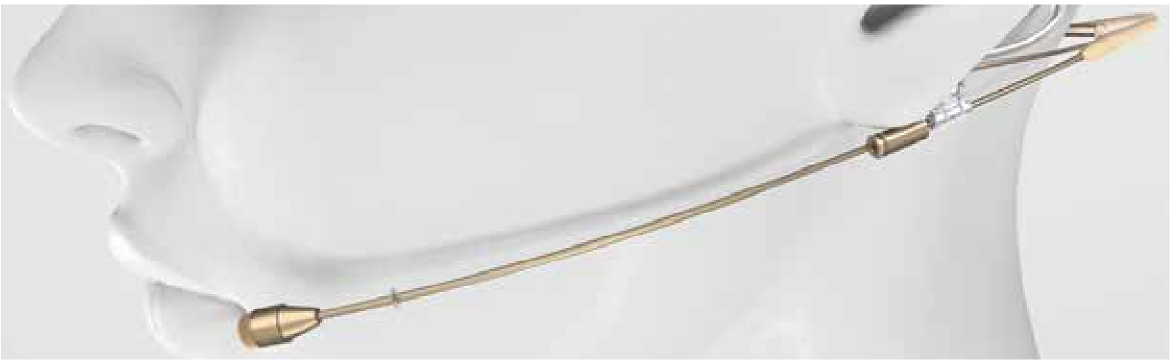
PROFESSIONAL PRODUCTS

The Live entertainment sector showed signs of recovery with Musical Theatre productions that were running at limited capacity. This drove sales of DPA Microphones for the year. Our cable and connector business was strong and led by the Neutrik brand. The demand came from the AV Integrator sector with major refits of Audio-Visual systems.



Cam Trewin, Solid State Logic

Cam Trewin Audio, Solid State Logic



DPA Microphones new headsets

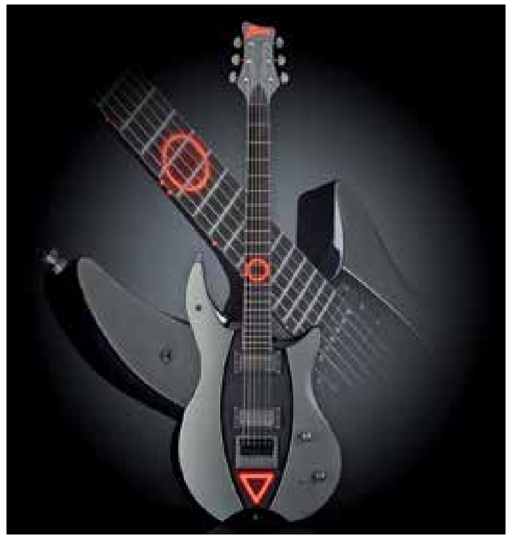
Primacoustic, which is an acoustic treatment solution, increased turnover due the requirement of home offices to have enhanced speech intelligibility. NTi Audio benefited from the many capital works being undertaken such as Rail and Road projects that require Noise Monitoring solutions that comply with Australian Standards.

Primacoustic studio installation

MUSICAL INSTRUMENTS

The Musical Instruments (MI) market continues to grow due to the demand for products that are suitable for use during lockdowns. Guitar pedals, guitars, prosumer electronics, studio monitors plus accessories are at unprecedented levels of demand.

Warwick and Sadowsky Bass Guitars coupled with the Rockboard brand of accessories contributed to a successful year. Solid State Logic expanded their offerings in this sector and we were able to capitalise even further on the success of the previous year. The RocknRoller brand of carts was introduced late in the year and we will continue to grow this brand in the next financial year.



Framus Guitar

Warwick Rockboard

Rock-n-Roller carts

Curly Hendo and her Sadowsky Bass

Solid State Logic

(MUSICAL INSTRUMENTS CONT)

New Zealand was, during the year, able to return to a pre-pandemic lifestyle. So more live events, education and conferences were able to be conducted. This led to a traditional return to business demand.

Our New Zealand operation was successful in securing the Teenage Engineering brand for the NZ market. This brand is a leader in portable synthesisers and supports the strong demand for prosumer products.

Subsequent to year end, we purchased the business of Noise Toys Imports, which adds some exciting new brands to the Amber MI stable. Strymon, Hotone, Richter, Walla Walla and Black Mountain are some well-known and established brands which will broaden our offering to the MI market in the new year.

Strymon products

Hotone Audio

Richter Guitar Straps

OP1 - Teenage Engineering

Black Mountain thumb picks

OD11 - Teenage Engineering

RETAIL SEGMENT

The 2020-21 Financial Year was one of growth for the Retail segment of our business, driven by our ability to adapt, adjust and respond to market demands in the Consumer Electronics (CE) retail market.

During the year we experienced increased demand for CE products driven by the impact that COVID-19 has had on lifestyles in Australia and New Zealand.

Our achievements this year included:

- Expansion and upgrades to in-store fixtures and merchandising to reflect the changeover of models;
- Adjusting our product offering in Philips Projection to meet consumer demand addressing App based consumption and use; and
- Continuing the expansion of products in the visual category with Phillips Projection and accessories, such as 2C screens.

Philips promotional banners

One for All Remote Control Dump Bin

We continue to provide support to our retail partners in harnessing the digital space, by showcasing experiential assets and value-added content to improve our retailers' digital platforms.

COVID-19 has had a significant impact on traditional bricks and mortar retail, with closures due to lockdowns, and thus has reduced foot traffic into stores. The strength of retailers' omnichannel presence was therefore paramount to the success this financial year.

Across the Tasman, our channel partners have dealt with COVID19 in a similar manner, and we are well poised to benefit from strong partnerships built on dealing with the volatility in the industry.

Despite being physically separated, the Retail sales team has maintained engagement with supplier-partners, providing support to continue growing our business.

The pandemic continues to challenge international supply chains, where manufacturing and shipping delays have impacted our efforts. Despite this, we have been able to deliver on our key objectives.

AmbertechLIMITED
SOURCE SUPPLY SUPPORT

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report together with the financial statements of the consolidated entity consisting of Ambertech Limited and its controlled entities, ("company" or "consolidated entity" or "economic entity") for the year ended 30 June 2021 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 during the whole of the financial year and up to the date of this report unless otherwise stated.

Information on directors

Peter Francis Wallace
Chairman - Non Executive Director
Member of the Audit and Risk Management Committee and Chairman of the Remuneration and Nomination Committee. Peter Wallace is the founder and Managing Director of Endeavour Capital Pty Limited, an independent corporate advisory firm. Prior to establishing Endeavour Capital Pty Limited in 1998, he was an Investment Director with private equity company Hambro-Grantham. Mr Wallace has been a non-executive director of over 30 groups of companies. He was a non-executive director of the listed entities THC Global Limited until 15 March 2018 and Range International Limited until 14 April 2020.

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 Chartered Accountants Australia and New Zealand, and a fellow of the Australian Institute of Company Directors.

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

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

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 a non executive director of listed entity Big Tin Can Holdings Limited.

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

Santo Carlini
Non-Executive Director
Mr Santo Carlini was appointed to the Board as a Non-Executive Director effective 1 March 2020.

Mr Carlini brings to the Ambertech Board key Audio-Visual industry experience in the major professional and installation market segments, with over 20 years dedicated to achieving the best product and service outcomes for customers. Mr Carlini is General Manager at WES Alliance Pty Ltd (WES). The company was founded in 1984 and since 1995 he has successfully grown, first as part of the team and then as General Manager, the WES business from a specialist supplier of Electronic Parts to a leading supplier of audio, visual products and solutions to the domestic and commercial installation market.

Mr Carlini has strong international products and supply experience. This expertise has been built from a business need to match the continuous domestic market demands by sourcing products from around the world that are the best fit audio and visual products to meet the demands of the competitive and evolving Australian marketplace.

David Rostil Swift
Non-Executive Director
Member of the Remuneration and Nomination Committee.

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

Mr Swift was 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 and Chief Operating Officer
The following person held the position of Company Secretary at the end of the financial year: Robert John Glasson

Robert Glasson joined Ambertech Limited on 1 July 2002 and also holds the position of Chief Operating Officer. He previously held the position of Chief Financial Officer up until 30 June 2015. He has a Bachelor of Business degree from the University of Technology, Sydney, and is a member of Chartered Accountants Australia and New Zealand. He was appointed to the role of Company Secretary on 1 November 2004.

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

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

Employees
The economic entity employed 126 employees as at 30 June 2021 (2020: 125 employees).

REVIEW AND RESULTS OF OPERATIONS
The consolidated profit of the economic entity after providing for income tax for the financial year was $5,090,000 (2020: $784,000). Profit increased significantly from 2020, primarily due to the realisation of economies of scale through growth of the business. Total revenues for the financial year increased by 36.5% to $80,145,000 (2020: $58,720,000). Further information on the operations is included in the Chairman's and Managing Director's Report section of the Annual Report, and in the ASX Appendix 4E.

FINANCIAL POSITION
The directors believe the economic entity is in a reasonably strong and stable financial position with the potential to expand and grow its current operations. Whilst borrowings were decreased by $2,094,000 during the financial year, the economic entity maintained a healthy working capital ratio.

The economic entity's working capital, being current assets less current liabilities, has increased by $3,225,000 to $13,857,000 as at 30 June 2021 (2020: $10,632,000). The net assets of the economic entity have also increased by $3,735,000 to $15,412,000 as at 30 June 2021 (2020: $11,677,000).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS
There were no significant changes in the state of affairs of the economic entity during the financial year.

EVENTS SUBSEQUENT TO REPORTING DATE
The Directors have resolved to pay a dividend of 1.6 cents per share.

On 6 September 2021 the consolidated entity executed a Business Sale Agreement to purchase the business and assets of Noise Toys. Consideration includes a cash payment of $558,000. The initial accounting for this business combination is yet to be completed and, as such, disclosures in relation to the fair value of the assets and liabilities acquired and the composition of any goodwill arising on acquisition cannot reliably be made at the date of this report.

There were no other matters that have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations or state of affairs of the economic entity in future financial years.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES
The 2021-22 financial year has begun well, and as a result the Board of Ambertech Limited ("the Board") is cautiously optimistic that it can deliver on business strategies, which continue to focus on returning positive results for investors in the short term. At this early stage the Board is unable to provide guidance on potential results with any certainty; however expects to be able to update investors by the time of holding the company's AGM.

The board and management remain focused on utilising the traditional strengths of the Ambertech business as a technical distributor to bring new products and brands to market and to redefine the methods and channels in which the business operates. We are continuing to progress these initiatives which are the key drivers of future revenue and profit growth.

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

REMUNERATION REPORT (AUDITED)

The information provided below includes remuneration disclosures that are required under the *Corporations Act 2001* and its regulations. The disclosures contained within the remuneration report have been audited.

In recent years the remuneration policy of the company has had to take into account competing interests. On one hand, shareholder returns are inadequate, while Directors, faced with their responsibilities to the Company, need to retain an experienced, expert Board and executive management team. Directors are aware that these staff may have opportunities to pursue their careers in less challenging environments with prospects of greater remuneration.

Consistent with this view, there have been no significant changes to the remuneration strategy employed by the Board for the 2021 financial year. There has been no change in the remuneration of non-executive directors since 1 January 2010.

Remuneration Strategy

Non-Executive Director Remuneration

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

Remuneration of non-executive directors comprises fees determined having regard to industry practice and the need to obtain appropriately qualified independent persons. Fees do not contain any non-monetary elements. In response to the financial performance of the company the remuneration of non-executive directors has remained unchanged since 1 January 2010.

Executive Remuneration

Managing Director and Chief Operating Officer

Remuneration of the Managing Director and the Chief Operating Officer (COO) 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 COO 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, however if paid on target these incentives would have represented approximately 20% of total salary for the Managing Director and 15% of total salary for the COO.

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

Other Executives

Remuneration of other key executives is set by the Managing Director and Chief Operating Officer, with reference to guidelines set 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.

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

KPIs are set annually by the Remuneration and Nomination Committee, with a degree of consultation with executives to ensure their commitment. The measures are tailored to the areas of each executive's involvement and over which they have control.

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

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

	2021	2020	2019	2018	2017
Dividends paid (cents per share)	1.8	-	-	-	-
Closing share price at 30 June ($)	$0.225	$0.055	$0.10	$0.16	$0.15
Net profit/(loss) after tax ($'000)	5,090	784	(1,332)	(143)	(634)

Details of Remuneration

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

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

Name	Position	Name	Position
P Wallace	Non-Executive Chairman	R Glasson	Group COO, Company Secretary
P Amos	Group Managing Director	R Neale	General Manager, Integrated Solutions
T Amos	Non-Executive Director	R Caston	General Manager, Broadcast & Professional
D Swift	Non-Executive Director		
S Carlini	Non-Executive Director		

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

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

REMUNERATION REPORT (continued)

Elements of Remuneration

2021	Short-term employment benefits		Post employment benefits	Long-term employment benefits	Share based payments			
Directors	Salary fees and leave $	Cash Bonus $	Superannuation $	LSL accrued/ (taken) $	Options $	Total $	% Performance Related	% Relating to Options
P Amos	327,268	95,000	25,000	7,061	15,899	470,228	20.2%	3.4%
P Wallace	52,294	-	4,968	-	-	57,262	0.0%	0.0%
T Amos	30,506	-	2,898	-	-	33,404	0.0%	0.0%
S Carlini	30,506	-	2,898	-	-	33,404	0.0%	0.0%
D Swift	9,613	-	25,879	-	-	35,492	0.0%	0.0%
	450,187	95,000	61,643	7,061	15,899	629,790	15.1%	2.5%
Executives								
R Glasson	183,199	35,000	20,888	3,709	9,539	252,335	13.9%	3.8%
R Caston	236,112	20,000	25,243	2,209	7,949	291,513	6.9%	2.7%
R Neale	249,557	40,000	25,677	3,773	9,539	328,546	12.2%	2.9%
	668,868	95,000	71,808	9,691	27,027	872,394	10.9%	3.1%

(1) On 29 June 2021, a cash bonus of $95,000 was paid to Mr P Amos relating to performance against KPI's. The bonus is 100% of the total available to Mr Amos under his KPI scheme.

(2) On 29 June 2021, a cash bonus of $35,000 was paid to Mr Glasson relating to performance against KPI's. The bonus is 100% of the total available to Mr Glasson under his KPI scheme.

(3) On 15 August 2020, a cash bonus of $20,000 was paid to Mr Caston relating to performance against KPI's. The bonus is 100% of the total available to Mr Caston under his KPI scheme.

(4) (2) Quarterly cash bonuses totalling $40,000 were paid to Mr Neale relating to performance against KPI's. The bonuses are 100% of the total available to Mr Neale under his KPI scheme.

2020	Short-term employment benefits		Post employment benefits	Long-term employment benefits	Share based payments			
Directors	Salary fees and leave $	Cash Bonus $	Superannuation $	LSL accrued/ (taken) $	Options $	Total $	% Performance Related	% Relating to Options
P Amos	379,027	-	25,000	7,066	1,119	412,212	0.0%	0.3%
P Wallace	53,211	-	5,055	-	-	58,266	0.0%	0.0%
T Amos	31,041	-	2,949	-	-	33,990	0.0%	0.0%
E Goodwin*	24,083	-	2,288	-	-	26,371	0.0%	0.0%
S Carlini**	6,957	-	661	-	-	7,618	0.0%	0.0%
D Swift	9,782	-	25,193	-	-	34,975	0.0%	0.0%
	504,101	-	61,1460	7,066	1,119	573,432	0.0%	0.2%
Executives								
R Glasson	190,689	50,000	22,443	3,709	-	266,841	18.7%	0.0%
R Caston	203,494	24,700	24,875	3,527	-	256,586	9.6%	0.0%
R Neale	253,151	19,500	23,026	3,103	-	298,780	6.5%	0.0%
	647,334	94,200	70,344	10,329	-	822,207	11.5%	0.0%

(5) On 15 March 2020, a cash bonus of $50,000 was paid to Mr Glasson relating to performance against KPI's. The bonus is 58.8% of the total available to Mr Glasson under his KPI scheme.

(6) (1) On 15 August 2019, a cash bonus of $24,700 was paid to Mr Caston relating to performance against KPI's. The bonus is 98.8% of the total available to Mr Caston under his KPI scheme.

(7) (2) Quarterly cash bonuses totalling $19,500 were paid to Mr Neale relating to performance against KPI's. The bonuses are 97.5% of the total available to Mr Neale under his KPI scheme.

* E Goodwin resigned February 2020.

** S Carlini appointed March 2020.

REMUNERATION REPORT (continued)

Service agreements

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

The agreement commenced on 31 May 1999 and continues indefinitely. In the event that the company was to exercise its right to terminate the contract, the current payout value would be $405,000 (2020: $380,000).

Share based compensation

The company 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.

Options previously granted as remuneration which remain exercisable at year end are set out below.

	Balance at beginning	Balance at end of year
P Amos	166,667	-
R Glasson	-	75,000
R Neale	-	75,000
R Caston	-	62,500

During the financial year, 212,500 options vested with key management personnel (2020: Nil). None of these options were exercised (2020: Nil).

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.

REMUNERATION REPORT (continued)

Interests of Directors

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

Director	Ordinary Shares	
	2021	2020
P Wallace	2,441,878	2,341,878
P Amos	4,935,055	4,768,388
T Amos	7,214,925	7,214,925
D Swift	3,086,735	3,086,735
S Carlini	28,065,287	28,065,287

Voting and Comments made at the Company's 2020 Annual General Meeting ('AGM')

The Company received 86% of "for" votes in relation to its remuneration report for the year ended 30 June 2020. No issues were raised with Directors concerning the Report.

This concludes the Remuneration Report which has been audited.

DIVIDENDS

On 25 February 2021 the Board of Ambertech resolved to pay an interim dividend of 1.5 cents per share, fully franked. The record date for the dividend was 5 March 2021, with a payment date of 31 March 2021.

On 26 August 2021 the Board of Ambertech resolved to pay a final dividend of 1.6 cents per share, fully franked. The record date for the dividend is 20 September 2021, with a payment date of 5 October 2021. The Company's Dividend Reinvestment Plan will be active for this dividend, with a discount rate of 3% too the volume weighted average price of shares traded from 21 September 2021 to 24 September 2021.

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 and Risk Management Committee Meetings		Nomination and Remuneration Committee	
Director	Attended	Held	Attended	Held	Attended	Held
P Wallace	11	11	5	5	2	2
P Amos	11	11	-	-	-	-
T Amos	11	11	5	5	-	-
D Swift	11	11	-	-	2	2
S Carlini	11	11	-	-	-	-

NON-AUDIT SERVICES

BDO Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

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

During the year fees that were paid or payable for services provided by the auditor of the parent entity and its related practices are disclosed at note 29.

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

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

AUDITORS' INDEPENDENCE DECLARATION

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

INDEMNIFICATION OF OFFICERS

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.
During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

ROUNDING

The company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.
Signed in accordance with a resolution of directors.

Director: ____________________ ____________________

P F Wallace P A Amos

Dated this 29th day of September 2021
Sydney

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY MARTIN COYLE TO THE DIRECTORS OF AMBERTECH LIMITED

As lead auditor of Ambertech Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. 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 financial year.

Martin Coyle
Director

BDO Audit Pty Ltd

Sydney, 29 September 2021

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Ambertech Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Ambertech Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 3, the Group recognised revenue of $80,145,000 during the financial year ended 30 June 2021 (2020: $58,720,000). Due to the significant increase in revenue during the year and the overall significance of revenue to the Group as a key performance indicator, we considered this area to be a key audit matter.	To determine whether revenue was appropriately accounted for and disclosed within the financial statements, we performed, amongst others, the following audit procedures: • Critically evaluated the revenue recognition policies for all material revenue sources to ensure compliance with *AASB 15: Revenue from Contracts with Customers*. • Performed substantive analytical procedures over revenues and gross margins by segment and by product group in comparison to the prior period, budget and our expectations. • Testing the operating effectiveness of internal controls surrounding the existence and occurrence of revenues including performing substantive testing on the appropriate recognition of customer rebates. • Performing detailed cut-off testing to ensure that revenue transactions around the year end had been recorded in the correct period including testing of post year-end credit notes.

Valuation of inventory

Key audit matter	*How the matter was addressed in our audit*
As disclosed in Note 7, the Group held inventory with a carrying value of $12,900,000 as at 30 June 2021 which represented approximately 32% of the Group's total assets. Inventory valuation was considered a key audit matter due to the significant value of these assets in the Consolidated Statement of Financial Position and the key estimates and judgements applied by management in assessing the net realisable value ('NRV') of inventory due to the nature of the industry in which the Group operates in.	Our audit procedures for addressing this key audit matter included, but were not limited to, the following: • Observed the cyclical inventory count procedures performed by management and assessed, by inspection, whether there was any evidence of damaged or obsolete inventory. • Tested a sample of inventory items on hand to initial supplier invoices and subsequent sales invoices to ascertain whether inventory was being recognised at the lower of cost and NRV. • Assessed the assumptions applied by management in determining the provision for obsolescence in comparison to recent sales experience and the ageing of inventory. • Performed various analytical procedures in relation to inventory including analysing inventory turnover by product group and gross margin in comparison to prior periods and to expectations.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report (excluding the audited Remuneration Report section) for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report to Shareholders, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report to Shareholders, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report under the heading 'Remuneration Report' for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Ambertech Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit Pty Ltd

BDO

Martin Coyle
Director

Sydney, 29 September 2021

	Note	2021 $'000	2020 $'000
Revenues	3	80,145	58,720
Cost of sales	4	(54,405)	(40,478)
Gross Profit		25,740	18,242
Other income	3	178	369
Employee benefits expense	4	(13,538)	(10,926)
Distribution costs		(1,664)	(1,408)
Marketing costs		(350)	(388)
Premises costs		(588)	(367)
Travel costs		(123)	(391)
Depreciation and amortisation expense	4	(1,569)	(1,358)
Finance costs	4	(1,147)	(1,467)
Other expenses		(1,540)	(1,132)
Acquisition and restructure costs		(100)	(705)
Profit before income tax		5,299	469
Income tax (expense)/benefit	5	(209)	315
Profit after income tax for the year		5,090	784
Other comprehensive income			
Exchange differences on translation of foreign operations		(1)	(61)
Total comprehensive income for the year		5,089	723
Earnings per share			
Basic earnings per share (cents)	27	6.7	1.4
Diluted earnings per share (cents)	27	6.6	1.4

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.

	Note	2021 $'000	2020 $'000
CURRENT ASSETS			
Cash and cash equivalents	25	1,788	989
Trade and other receivables	6	14,804	14,397
Inventories	7	12,900	16,916
TOTAL CURRENT ASSETS		29,492	32,302
NON-CURRENT ASSETS			
Plant and equipment	9	442	717
Right-of-use asset	10	5,640	6,407
Intangible assets	11	1,118	1,068
Deferred tax assets	5	3,118	2,652
TOTAL NON-CURRENT ASSETS		10,318	10,844
TOTAL ASSETS		39,810	43,146
CURRENT LIABILITIES			
Trade and other payables	12	7,323	10,437
Financial liabilities	14	2,676	4,770
Contract Liabilities	13	1,428	3,331
Lease liabilities	15	1,199	938
Provisions	16	2,306	2,194
Current tax liabilities	5	703	-
TOTAL CURRENT LIABILITIES		15,635	21,670
NON-CURRENT LIABILITIES			
Contract liabilities	13	174	174
Provisions	16	235	179
Lease liabilities	15	8,345	9,408
Deferred tax liabilities	5	9	38
TOTAL NON-CURRENT LIABILITIES		8,763	9,799
TOTAL LIABILITIES		24,398	31,469
NET ASSETS		15,412	11,677
EQUITY			
Share capital	17	15,947	15,915
Reserves	18	(10)	(2)
Accumulated losses		(525)	(4,236)
TOTAL EQUITY		15,412	11,677

The above Consolidated Statement of Financial Position is to be read in conjunction with the attached notes.

	Share Capital	Foreign Currency Translation Reserve	Share Based Payments Reserve	Accumulated losses	Total Equity
	$'000	$'000	$'000	$'000	$'000
Balance as at 30 June 2019	11,138	52	6	(5,020)	6,176
Profit for the year	-	-	-	784	784
Exchange differences on translation of foreign operations	-	(61)	-	-	(61)
Total comprehensive income for the year	-	(61)	-	784	723
Transactions with equity holders:					
Share issue net of transaction cost	4,777	-	-	-	4,777
Costs of share based payments	-	-	1	-	1
Balance as at 30 June 2020	15,915	(9)	7	(4,236)	11,677
Balance as at 1 July 2020	15,915	(9)	7	(4,236)	11,677
Profit for the year	-	-	-	5,090	5,090
Exchange differences on translation of foreign operations	-	(1)	-	-	(1)
Total comprehensive income for the year	-	(1)	-	5,090	5,089
Transactions with equity holders:					
Share issue net of transaction cost	25	-	-	-	25
Costs of share based payments	7	-	(7)	-	-
Dividends	-	-	-	(1,379)	(1,379)
Balance as at 30 June 2021	15,947	(10)	-	(525)	15,412

The above Consolidated Statement of Changes in Equity is be read in conjunction with the attached notes.

	Note	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		87,350	63,783
Receipts from government grants		1,526	678
Payments to suppliers and employees		(76,159)	(57,189)
Interest received		5	13
Interest and other costs of finance paid		(1,147)	(1,467)
Goods and services tax remitted		(6,048)	(4,491)
Net cash from operating activities	25	5,527	1,327
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(253)	(200)
Payment for intangible assets		(224)	-
Payment for the acquisition of business		-	(4,611)
Net cash used in investing activities		(477)	(4,811)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		332	24
Repayment of borrowings		(2,426)	(861)
Repayment of leases		(802)	(656)
Proceeds from share issue		25	4,777
Dividends paid to shareholders		(1,379)	-
Net cash (used in)/provided by financing activities		(4,250)	3,284
Net increase/(decrease) in cash and cash equivalents held		800	(200)
Cash and cash equivalents at beginning of period		989	1,207
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies at the beginning of the financial year		(1)	(18)
Cash and cash equivalents at end of period	25	1,788	989

The above Consolidated Statement of Cash Flows is to be read in conjunction with the attached notes.

NOTE 1: INTRODUCTION

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

Operations and principal activities

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

Currency

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency. All financial information presented in Australian dollars has been rounded to the nearest one thousand, unless otherwise stated.

Registered office

Unit 1, 2 Daydream Street, Warriewood NSW 2102.

Authorisation of financial statements

The financial statements were authorised for issue on 28 September 2021 by the Directors. The company has the power to amend the financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Overall Policy

The principal accounting policies adopted in the preparation of these consolidated financial statements are stated in order to assist in a general understanding of the financial statements. These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for profit oriented entities. The financial statements have been prepared under the historic cost convention.

Statement of Compliance

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

Going Concern

The consolidated financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

On 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic. The pandemic has caused large scale disruption and adverse economic conditions. Despite the pandemic , management were able to successfully implement various operating efficiencies and manage the working capital position of the Group, the impact of which resulted in profit after income tax growth of $5,090,000 (2020: $784,000) and net operating cash inflows of $5,527,000 (2020: $1,327,000).

Notwithstanding the degree of uncertainty that the COVID-19 pandemic continues to pose on the national economy, the Directors believe that there are reasonable grounds to conclude that the Group will continue as a going concern, after consideration of the following factors:

- Management have prepared forecasts for the 12 months following date of approval of the financial report, which indicate that the Group can continue to pay its debts as and when they become due and payable;

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- The group continues to have available significant debt headroom on the primary business finance facilities of up to $9,000,000 in invoice discounting and $1,000,000 in trade finance as disclosed in note 14;
- In the event of continuing business challenges associated with the COVID-19 pandemic, management are confident in being able to manage working capital through the pursuit of operating efficiencies.

(B) Goods and Services Tax

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

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

(C) Government Grants

Government grants are recognised as income when it is reasonably certain that the Group will comply with the conditions attached to them and when the right to receive payment is established. The Group has elected to recognise grant income as an offset to the directly attributable expenditure in the financial statements.

<u>New, revised or amending Accounting Standards and Interpretations adopted</u>

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no material impact on the financial statements from the adoption of these new accounting standards.

<u>New Accounting Standards and Interpretations not yet mandatory or early adopted</u>

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted

NOTE 3: REVENUE

	Economic Entity	
	2021	2020
Revenue	$'000	$'000
- Sale of goods	75,666	54,549
- Rendering of services	4,474	4,158
- Interest received	5	13
	80,145	58,720

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 at a point in time when control transfers to the customer. In most cases this coincides with the transfer of legal title, or the passing of possession to the customer. In arrangements whereby the consolidated entity is required to meet contractually agreed upon specifications, control over the goods generally occurs when the customer has confirmed acceptance.

<u>Rendering of services</u>

Revenue from the rendering of services is recognised at the point in time in which the service is provided to the customer. Maintenance and support contracts usually extend for one year. Revenue is respect to these services are generally recognised overtime as the customer simultaneously receives and consumes the benefits of the services as the Group provides the services. Where amounts are invoiced before revenue is earned, a deferred revenue liability is brought to account. These contract liabilities reflect the consideration received in respect of unsatisfied performance obligations.

<u>Interest revenue</u>

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

Other income		
Net Foreign exchange gains	165	369
Gain on asset sale	13	-
	178	369

NOTE 4: EXPENSES

Additional information on the nature of expenses

A) Inventories		
Cost of sales	54,405	40,478
Movement in provision for inventory obsolescence	1,154	288

B) Employee benefits expense		
Salaries and wages*	12,501	10,006
Defined contribution superannuation expense	1,037	862
Employee termination expense	-	57
Share-based payments expense	-	1
	13,538	10,926

* Salaries and wages for FY20 & FY21 are both net of $1,101,750 in Government grants which was provided as a result of the COVID-19 pandemic.

NOTE 4: EXPENSES (continued)

	Economic Entity	
	2021	2020
	$'000	$'000
C) Depreciation		
Plant and equipment	107	95
Furniture and fittings	115	166
Leasehold improvements	151	143
Leased property plant and equipment	16	15
Buildings right-of-use assets	867	875
Plant and equipment right-of-use assets	39	31
	1,295	1,325
D) Amortisation		
Website costs	19	17
Customer/Supplier Relationships	30	16
Research & Development	225	-
	274	33
E) Bad debts and expected credit losses	53	31
F) Rental expense on operating leases:		
Minimum lease payments	2	12
G) Finance costs		
Interest and finance charges paid/payable on borrowings	511	787
Interest and finance charges paid/payable on lease liabilities	636	680
	1,147	1,467

NOTE 5: INCOME TAX

	2021	2020
A) Major components of income tax		
Current year	703	-
Deferred tax	(494)	(315)
Income tax expense/(benefit)	209	(315)
B) Reconciliation between income tax and prima facie tax on accounting profit/(loss)		
Profit/(loss) before income tax	5,299	469
Tax at 30% (2020:30%)	1,590	141
Tax effect of non deductible expenses/non assessable income		
• Entertainment	12	12
• Other items	3	(7)
• Trading stock adjustments	(1,381)	-
Recognition of movements in deferred tax	9	(307)
Unused tax losses not recognised as deferred tax assets	(24)	(154)
Income tax expense/(benefit)	209	(315)

NOTE 5: INCOME TAX (continued)

C) Applicable tax rate

The applicable tax rate is the national tax rate in Australia of 30%.

	Economic Entity	
	2021	2020
	$'000	$'000
D) Analysis of deferred tax assets		
Employee benefits	714	623
Plant and equipment	378	352
Right-of-use assets	(1,677)	(1,921)
Lease Liability	2,857	3,103
Accrued expenses	31	23
Provision for impairment of receivables	64	27
Provision for obsolescence	611	277
Provision for warranty	13	51
Inventory	86	80
Other	41	37
	3,118	2,652
E) Analysis of deferred tax liabilities		
Unrealised foreign currency gain	-	34
Other	9	4
	9	38

F) Income Tax

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

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

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

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

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

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

NOTE 5: INCOME TAX (continued)

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

G) Tax consolidated group

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

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

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

NOTE 6: TRADE AND OTHER RECEIVABLES

	Economic Entity	
	2021	2020
Current	$'000	$'000
Trade receivables	12,420	11,490
Allowance for expected credit losses	(216)	(90)
	12,204	11,400
Other receivables	1,080	1,942
Prepayments	1,520	373
Deposits paid on goods to be delivered	-	682
	14,804	14,397

A) Current trade receivables are non-interest bearing loans, generally between 30 and 60 day terms.
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit loss.

B) An allowance for expected credit losses (ECLs) is required when a difference arises between the contracted cashflows and the amount expected to be received, discounted at the original effective interest rate.

For trade receivables, a simplified approach is applied in calculating the ECLs. Loss allowances recognised are based on lifetime ECLs at each reporting date. This is established from historical credit losses, adjusted for forward looking factors specific to the receivable.

The consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the Coronavirus (COVID-19) pandemic. As a result, the amount of expected credit losses has increased since the previous corresponding period.

C) Movement in the allowance for expected credit losses is as follows:

Current trade receivables		
Opening balance	90	61
Charge for the year	171	31
Amounts written off	(45)	(2)
Closing balance	216	90

D) The economic entity's exposure to credit risk and impairment losses related to trade and other receivables is disclosed at note 26.

NOTE 7: INVENTORIES

	Economic Entity	
	2021	2020
Current	$'000	$'000
Finished goods	13,571	15,826
Stock in transit	1,409	2,016
	14,980	17,842
Provision for obsolescence	(2,080)	(926)
	12,900	16,916

A) Inventories

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

B) Provision for impairment of inventories

Movement in the provision for obsolescence is as follows:

Opening balance	926	640
Charge for the year	170	873
Amounts written off	984	(587)
Closing balance	2,080	926

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

NOTE 8: CONTROLLED ENTITIES

Entity	Country of Incorporation	Percentage Owned	
		2021	2020
Parent Entity			
• Ambertech Limited	Australia		
Subsidiaries of Ambertech Limited	Australia	100%	100%
• Amber Technology Limited			
Subsidiaries of Amber Technology Limited			
• Alphan Pty Limited	Australia	100%	100%
• Amber Technology (NZ) Limited	New Zealand	100%	100%

A controlled entity is any entity controlled by Ambertech Limited. Control exists where Ambertech Limited is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity so that the other entity operates with Ambertech Limited to achieve the objectives of Ambertech Limited.

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

NOTE 9: PLANT AND EQUIPMENT

Non-Current

A) Carrying amounts

	Cost		Accumulated depreciation		Net carrying amount	
	2021	2020	2021	2020	2021	2020
	$'000	$'000	$'000	$'000	$'000	$'000
Economic Entity						
Plant and equipment	1,566	1,628	(1,345)	(1,402)	221	226
Furniture and fittings	941	937	(935)	(820)	6	117
Leasehold improvements	1,512	1,499	(1,305)	(1,154)	208	345
Leased plant and equipment	124	171	(117)	(142)	7	29
Total plant and equipment	4,143	4,235	(3,702)	(3,518)	442	717

B) Reconciliation of carrying amounts

2021	Plant and equipment	Furniture and fittings	Leasehold improvements	Leased plant and equipment	Total
	$'000	$'000	$'000	$'000	$'000
Balance at the beginning of the year	226	117	345	29	717
Additions	120	4	14	-	138
Disposals	(18)	-	-	(6)	(24)
Depreciation and amortisation expense	(107)	(115)	(151)	(16)	(389)
Carrying amount at the end of the year	221	6	208	7	442

2020	Plant and equipment	Furniture and fittings	Leasehold improvements	Leased plant and equipment	Total
	$'000	$'000	$'000	$'000	$'000
Balance at the beginning of the year	155	282	394	44	875
Additions	106	1	94	-	201
Additions on acquisition of HAV	60	-	-	-	60
Depreciation and amortisation expense	(95)	(166)	(143)	(15)	(419)
Carrying amount at the end of the year	226	117	345	29	717

C) Recognition and measurement

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

D) Depreciation of property, plant and equipment

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

Plant and equipment is depreciated from the date of acquisition or, in respect of leasehold improvements, from the time the asset is completed and ready for use.

NOTE 9: PLANT AND EQUIPMENT (continued)

D) Depreciation of property, plant and equipment (continued)

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 equipment belong are written down to their recoverable amount.

NOTE 10: RIGHT-OF-USE ASSETS

	Economic Entity	
	2021	2020
Non-Current	$'000	$'000
Land and buildings - right-of-use	7,152	7,216
Less: Accumulated amortisation	(1,678)	(875)
	5,474	6,341
Plant and equipment - right-of-use	239	97
Less: Accumulated amortisation	(73)	(31)
	166	66
	5,640	6,407

	Land and buildings $'000	Plant and equipment $'000	Total $'000
Balance at 30 June 2020	6,341	66	6,407
Additions	-	139	139
Amortisation	(867)	(39)	(906)
Balance at 30 June 2021	5,474	166	5,640

Land and buildings – right-of-use

The land and buildings right of use asset related to a lease for the consolidated entities property lease for its premises at Unit 1, 2 Daydream Street, Warriewood NSW 2102. The lease has a lease term of 10 years and 9 months commencing 14 April 2012 with rent payable monthly. An option exists to renew the lease at the end of this time for an additional term of 5 years with a final expiry date being 13 January 2028. As at 30 June 2021 it is reasonably certain that the consolidated entity will exercise this option to extend the lease and this has been included in the lease term. The lease has rent increases by 3.75% each year and has a market rent increase in April each year.

NOTE 10: RIGHT-OF-USE ASSETS (continued)

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Key Estimate and Judgement: Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date.

Factors considered may include the importance of the asset to the Groups operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

NOTE 11: INTANGIBLE ASSETS

	Economic Entity	
	2021	2020
Non-Current	$'000	$'000
Net carrying amounts and movements during the year		
Goodwill at cost	3,716	3,760
Less impairment	(2,926)	(2,970)
	790	790
Website at cost	94	85
Less accumulated amortization	(60)	(41)
	34	44
Brand name	100	100
Less impairment	-	-
	100	100
Customer/Supplier relationships	150	150
Less accumulated amortisation	(46)	(16)
	104	134
Research & Development	315	-
Less accumulated amortisation	(225)	-
	90	-
	1,118	1,068

Reconciliation of written down values:	Goodwill	Website	Brand name	Customer/Supplier relationships	Research Development	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Opening balance at 1 July 2020	790	44	100	134	-	1,068
Additions	-	9	-	-	315	324
Amortisation expense	-	(19)	-	(30)	(225)	(274)
Closing balance at 30 June 2021	790	34	100	104	90	1,118

Recognition and measurement

A) Goodwill

All business combinations are accounted for by applying the acquisition 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.

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

B) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not

NOTE 11: INTANGIBLE ASSETS (continued)

be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The consolidated entity determined the recoverable amount of assets based on a value-in-use calculation, using cash flow projections based on financial budgets approved by management covering a five-year period. The following assumptions have been applied by management in the 30 June 2021 calculation of value-in-use based on past performance and expectations for the future:

- Annual sales growth of between 5% - 8% over the five-year forecast period
- Terminal value factor of 1.78
- Post-tax discount rate of 12.20%

Management have performed sensitivity analysis and assessed reasonable changes for key assumptions and have not identified any instances that could cause the carrying amount of the consolidated entity's assets to exceed its recoverable amount.

If there is evidence of impairment for any of the company's assets, the loss is measured as the difference between the asset's carrying amount and the recoverable amount. The loss is recognised in the statement of profit or loss and other comprehensive income.

C) Website Costs

Significant costs associated with website costs are deferred and amortised on a straight-line basis over the period of their expected benefit, being a finite life of 5 years.

D) Customer/Supplier Relationships

Significant costs associated with customer/supplier costs on acquisition are deferred and amortised on a straight-line basis over the period of their expected benefit, being a finite life of 5 years.

E) Brand Names

Brand names have an indefinite useful life and are not subject to amortisation but are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

F) Research & Development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and the intent to complete the development; and its costs can be measured reliably.

NOTE 12: TRADE AND OTHER PAYABLES

	Economic Entity	
	2021	2020
	$'000	$'000
Current		
Trade accounts payable	4,238	7,984
Other accounts payable	3,085	2,453
	7,323	10,437

These amounts represent liabilities for goods and services provided to the economic entity prior to the end of financial year which are unpaid. Due to their short- term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Amounts payable in foreign currencies:		
Trade accounts payable:		
- US Dollars	2,636	3,020
- British Pounds	118	227
- Euro	262	378
- Swiss Francs	16	552
- New Zealand Dollars	692	465
	3,724	4,642

NOTE 13: CONTRACT LIABILITIES

Current		
Deferred Revenue	1,428	3,331
Non Current		
Deferred Revenue	174	174
	1,602	3,505

NOTE 14: FINANCIAL LIABILITIES

Current		
Debtor finance	1,896	4,538
Business transaction facility	780	232
	2,676	4,770

Details of the economic entity's exposure to interest rate changes on financial liabilities is outlined in note 26.
The fair value of the financial liabilities approximates their carrying value.

A) Debtor finance

On 9 July 2020, the economic entity entered into an agreement with Octet finance Pty Ltd in relation to a new two year invoice discounting solution. The facility has approval up to $9,000,000. The Scottish Pacific Business Finance Facility was paid out using funds from this new facility in September 2020.

The economic entity did not breach any covenants during the financial year.

B) Business transaction facility

On 9 July 2020 the economic entity entered into an agreement with Octet Finance Pty Ltd to extend the Business Transaction Facility with an increased limit of $1,000,000 with no fixed term. As at 30 June 2021, the amount drawn under this facility was $441,745. Additionally, there is a Scottish Pacific Business Finance facility held in New Zealand with no fixed term and a limit of $1,209,865. As at 30 June 2021 the amount drawn under this facility was $338,172.

C) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the

NOTE 14: FINANCIAL LIABILITIES (continued)

effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

NOTE 15: LEASE LIABILITIES

	Economic Entity	
	2021	2020
	$'000	$'000
Current		
Lease liabilities	1,199	938
Non Current		
Lease liabilities	8,345	9,408

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Key Estimate and Judgement: Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

NOTE 16: PROVISIONS

Current		
Service warranty	335	297
Employee benefits	1,971	1,897
	2,306	2,194
Non Current		
Employee benefits	235	179
	235	179

A) Service warranty

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

NOTE 16: PROVISIONS (continued)

In determining the level of provision required for warranties, the economic entity has made judgements in respect of the expected performance of the product, expected customer claims and costs of fulfilling the conditions of warranty. The provision is based on estimates made from historical warranty costs associated with similar products.

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

	Service warranty
	$'000
Opening balance at 1 July 2020	297
Additional provision recognised	(142)
Reductions resulting from payments	180
Closing balance at 30 June 2021	335

B) 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.

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

C) Amounts not expected to be settled within the next twelve months:

The current provisions for annual leave and long service leave include all unconditional entitlements where employees have completed the required period of service. The entire amount is presented as current, since the economic entity does not have an unconditional right to defer settlement. However, based on past experience, the economic entity does not expect all employees to take the full amount of accrued leave or require payment within the next twelve months.

The following amounts reflect leave that is not expected to be taken within the next twelve months:

	Economic Entity	
	2021	2020
	$'000	$'000
Current annual leave obligation expected to be settled after 12 months	386	383
Current long service leave obligation expected to be settled after 12 months	438	432

NOTE 17: SHARE CAPITAL

	Economic Entity		Economic Entity	
	2021 Shares	2020 Shares	2021 $'000	2020 $'000
A) Ordinary Shares fully paid (no par value)	76,621,662	76,454,995	15,947	15,915

Movements in share capital	Date	Shares No.	Issue Price $	Total $,000
Balance at the start of the financial year		76,454,995		15,915
Shares issued on exercise of Options	02/03/2021	166,666	0.15	25
Cost of share based payments	02/03/2021	-		7
Balance at the end of the financial year		76,621,662		15,947

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

C) Options
At reporting date, there were 2,100,000 ordinary shares reserved for issue under the Employee Share Option Plan (2020: 166,667).

D) 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.

NOTE 18: RESERVES

	Economic Entity	
	2021 $'000	2020 $'000
Foreign currency translation reserve	(10)	(9)
Share base payments reserve	-	7
	(10)	(2)

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

Nature and purpose of reserves

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

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

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

NOTE 19: CAPITAL

Capital Commitments
The economic entity had no commitments for capital expenditure as at 30 June 2021 (2020: Nil).

NOTE 20: CONTINGENT LIABILITIES

	Economic Entity	
	2021 $'000	2020 $'000
Estimates of the maximum amounts of contingent liabilities that may become payable:		
- Bank guarantee by Amber Technology Limited in respect of Sydney property lease	612	612
	612	612

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

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE
The Directors have resolved to pay a dividend of 1.6 cents per share.

On 6 September 2021 the consolidated entity executed a Business Sale Agreement to purchase the business and assets of Noise Toys. Consideration includes a cash payment of $558,000. The initial accounting for this business combination is yet to be completed and, as such, disclosures in relation to the fair value of the assets and liabilities acquired and the composition of any goodwill arising on acquisition cannot reliably be made at the date of this report.

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

NOTE 22: RELATED PARTY TRANSACTIONS

Key management personnel compensation

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

	Economic Entity	
	2021	2020
Summary		
- Short term employee benefits	1,309,055	1,245,635
- Post employment benefits	133,451	131,490
- Long term employee benefits	16,752	17,395
- Share-based employee benefits	42,926	1,119
	1,502,184	1,395,639

NOTE 23: SHARE BASED PAYMENT ARRANGEMENTS

On 18 December 2020, 2,100,000 share options were granted under the Ambertech Limited Executive Share Option Scheme to take up ordinary shares at an exercise price of $0.22 each. The options are exercisable on or before 18 December 2025. The options hold no voting or dividend rights and are not transferable.

These options vest as follows:

I. One quarter of the options have vested (tranche 1)
II. One quarter of the options vest on 30 September 2021
III. One quarter of the options vest on 30 September 2022; and
IV. One quarter of the options vest on 30 September 2023.

Vesting subsequent to grant date is also subject to key management personnel meeting specified performance criteria. Further details of these options are provided in the directors' report. The options hold no voting or dividend rights but have been listed. The options lapse when a director ceases their employment with the Group. During the financial year, 212,500 options vested with key management personnel (2020: Nil).

The consolidated entity established the Ambertech Limited Employee Share Option Plan on 5 November 2004 as a long-term incentive scheme to strive for improved group performance. The options are issued for no consideration and carry no entitlements to voting rights or dividends of the Group. The number available to be granted is determined by the Board and is based on performance measures including profitability, return on capital employed and dividends.

The options are issued with a strike price representing a discount of 6% to the average market price of the underlying shares determined at the time the shares were granted.

A summary of the movements of all options issued is as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 1 July 2020	166,667	$0.15
Granted	2,100,000	$0.22
Foreited	-	-
Exercised	166,667	-
Expired	-	-
Options outstanding as at 30 June 2021	2,100,000	$0.22
Options exercisable as at 30 June 2021	400,000	$0.22
Options exercisable as at 30 June 2020	166,667	$0.15

NOTE 23: SHARE BASED PAYMENT ARRANGEMENTS (continued)

The weighted average remaining contractual life of options outstanding at year-end was 4.5 years. The exercise price of outstanding shares at the end of the reporting period was $0.22.

The fair value of the options granted to key management personnel is considered to represent the value of the employee services received over the vesting period.

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

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

The weighted average fair value of options granted during the year was nil (2020: Nil). These values were calculated using the Black-Scholes option pricing model applying the following inputs:

- Weighted average exercise price:	$0.22
- Weighted average life of the option	5 Years
- Expected share volatility	50%
- Risk free interest rate	1.20%

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility.

The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

These shares were issued as compensation to key management personnel of the Group. Further details are provided in the directors' report.

NOTE 24: SEGMENT REPORTING

(a) Description of segments

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

The economic entity comprises the following operating segments:

Retail	Distribution of home entertainment solutions to dealers.
Integrated Solutions	Distribution and supply of custom installation components for home theatre and commercial installations to dealers and consumers, and the distribution of projection and display products with business and domestic applications.
Professional	Distribution of high technology equipment to professional broadcast, film, recording and sound reinforcement industries.

(b) Segment information

2021	Retail $'000	Integrated Solutions $'000	Professional $'000	Eliminations $'000	Economic Entity $'000
Revenue					
- Total segment revenue	11,282	36,293	32,565	-	80,140
- Inter-segment revenue	-	-	-	-	-
Revenue from external customers	11,282	36,293	32,565	-	80,140
Result					
- Segment Contribution	721	3,553	4,049	-	8,323
- Unallocated / corporate result					(308)
- EBITDA					8,015
- Depreciation and amortisation					(1,569)
- EBIT					6,446
- Interest and finance costs					(1,147)
- Profit before income tax					5,299
- Income tax (expense)/benefit					(209)
- Profit for the year					5,090
Assets					
- Segment Assets	6,350	16,877	11,596	-	34,823
- Unallocated/corporate assets					4,987
- Total assets					39,810
Liabilities					
- Segment liabilities	1,874	4,445	4,105	-	10,424
- Unallocated/corporate liabilities					13,974
- Total liabilities					24,398
Other					
- Acquisition of non current segment assets	21	62	55	-	138
					138

NOTE 24: SEGMENT REPORTING (continued)

2020	Retail $'000	Integrated Solutions $'000	Professional $'000	Eliminations $'000	Economic Entity $'000
Revenue					
- Total segment revenue	9,041	23,942	25,724	-	58,707
- Inter-segment revenue	-	-	-	-	-
Revenue from external customers	9,041	23,942	25,724	-	58,707
Result					
- Segment Contribution	(186)	1,212	731	-	1,757
- Unallocated / corporate result					1,537
- EBITDA					3,294
- Depreciation and amortisation					(1,358)
- EBIT					1,936
- Interest and finance costs					(1,467)
- Profit before income tax					469
- Income tax benefit					315
- Profit for the year					784
Assets					
- Segment Assets	5,778	17,140	17,422	-	40,340
- Unallocated/corporate assets					2,806
- Total assets					43,146
Liabilities					
- Segment liabilities	1,753	4,160	9,565	-	15,478
- Unallocated/corporate liabilities					15,991
- Total liabilities					31,469
Other					
- Acquisition of non current segment assets	201	604	537	-	1,342
					1,342

NOTE 24: SEGMENT REPORTING (continued)

(c) Segment information on geographical region

	Segment Revenues from Sales to External Customers		Carrying Amount of Segment Non Current Assets		Acquisition of Non-Current Assets	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Geographical Location						
- Australia	75,341	55,516	7,107	8,102	127	1,247
- New Zealand	4,799	3,191	93	90	11	95
	80,140	58,707	7,200	8,192	138	1,342

Carrying amount of segment non current assets
These amounts include all non current assets other than deferred tax assets located in the country of domicile.

(d) Other segment information

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

Segment assets and liabilities do not include income taxes.

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

Major Customers
During the year ended 30 June 2021, $4,993,416 or 6% (2020: $3,752,021 or 6%) of the consolidated entity's external revenue was derived from sales to a major Australian retailer through the Lifestyle Entertainment segment.

NOTE 25: CASH FLOW INFORMATION

	Economic Entity	
	2021 $'000	2020 $'000
(i) Cash and cash equivalents		
Cash and cash equivalents included in the statement of cash flows comprise the following amounts:		
Cash on hand	3	3
At call deposits with financial institutions	1,785	986
Total cash and cash equivalents	1,788	989
(ii) Reconciliation of net cash provided by operating activities to profit after income tax		
Profit for the year	5,090	784
Adjustments for:		
Depreciation and amortisation	1,569	1,358
Foreign exchange (gain)/loss	(166)	(369)
Net (profit) on sale of plant and equipment	(1)	-
Non-cash share based payments	-	1
Changes in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	313	(1,978)
(Increase) in prepayments	(690)	(842)
Decrease/(increase) in inventories	4,011	(803)
(Decrease) in trade and other payables	(3,073)	(538)
(Decrease)/increase contract liabilities	(1,903)	3,505
Increase in provisions	169	525
Increase in income taxes payable	703	-
(Increase) in deferred taxes	(495)	(316)
Net cash provided by operating activities	5,527	1,327

(iii) Non Cash Financing and Investing Activities
There were no non-cash financing or investing activities during the financial year.

(A) 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 three months, and bank overdrafts.

NOTE 26: FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

A) Credit Risk

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

Trade and other receivables

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

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

Expected credit loss allowance

The expected credit loss allowance relates to specific customers, identified as being in trading difficulties, or where specific debts are in dispute. The expected credit loss 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 26: FINANCIAL RISK MANAGEMENT (continued)

The ageing of trade receivables at the reporting date was:

	Economic Entity	
	2021	2020
	$'000	$'000
Not past due	7,792	6,489
Past due up to 30 days	3,643	3,181
Past due 31-60 days	455	750
Past due 61 days and over	314	980
Total trade receivables not impaired	12,204	11,400
Trade receivables impaired	216	90
Total trade receivables	12,420	11,490

The economic entity does not have other receivables which are past due (2020: Nil).

The consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the Coronavirus (COVID-19) pandemic. As a result, the amount of expected credit losses has increased since the previous corresponding period.

B) 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 finance 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 finance facilities.

The economic entity monitors liquidity risk by maintaining adequate cash reserves and financing 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			
2021	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	$'000	$'000	$'000	$'000
Financial liabilities due for payment				
Trade payable	4,238	-	-	4,238
Other accounts payable	3,085	-	-	3,085
Financial liabilities	2,676	-	-	2,676
Lease liability	1,719	8,798	1,034	11,551
Total expected outflows	11,718	8,798	1,034	21,550
Financial assets - cash flows realisable				
Trade receivables	12,420	-	-	12,420
Total anticipated inflows	12,420	-	-	12,420
Net inflow / (outflow) on financial instruments	702	(8,798)	(1,034)	(9,130)

NOTE 26: FINANCIAL RISK MANAGEMENT (continued)

2020	Contractual Cash Flows Within 1 Year $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
Financial liabilities due for payment				
Trade payable	7,984	-	-	7,984
Other accounts payable	2,453	-	-	2,453
Financial liabilities	4,770	-	-	4,770
Lease liability	1,573	8,639	2,911	13,123
Total expected outflows	16,780	8,639	2,911	28,330
Financial assets - cash flows realisable				
Trade receivables	11,490	-	-	11,490
Total anticipated inflows	11,490	-	-	11,490
Net outflow on financial instruments	(5,290)	(8,639)	(2,911)	(16,840)

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature.

The fair value of debtor finance and lease liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

C) Market Risk

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

Foreign Currency Risk

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

	Weakening of 10% 2021 $'000	Weakening of 10% 2020 $'000	Strengthening of 10% 2021 $'000	Strengthening of 10% 2020 $'000
Impact on profit	(414)	(516)	338	422
Impact on equity	(414)	(516)	338	422

NOTE 26: FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

The economic entity has a debtor financing facility. The use of the facility exposes the economic entity to cash flow interest rate risk.

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

	Note	Weighted average interest rate 2021 %	Weighted average interest rate 2020 %	Balance 2021 $'000	Balance 2020 $'000
Debtor finance	13	6.64%	6.49%	2,234	4,538
Business transaction facility	13	6.21%	6.29%	442	232
Financial liabilities		6.57%	6.48%	2,676	4,770

The following table demonstrates the impact on the profit and equity of the economic entity if the average interest rate on the borrowing facility had either increased or decreased by 1%, which management consider to be reasonably possible over the whole year ending 30 June 2020, with all other variables remaining constant:

	Increase of 1% of average interest rate 2021 $'000	Increase of 1% of average interest rate 2020 $'000	Decrease of 1% of average interest rate 2021 $'000	Decrease of 1% of average interest rate 2020 $'000
Impact on profit	(27)	(48)	27	48
Impact on equity	(27)	(48)	27	48

D) Net Fair Values

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

E) 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. Dividends paid for the year ended 30 June 2021 were $1,379,000 (2020: nil).

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

NOTE 27: EARNINGS PER SHARE

	Economic Entity	
	2021	2020
	$'000	$'000
A) Basic earnings per share (cents)	6.7	1.4
Weighted average number of ordinary shares (number)	76,509,790	55,738,848
Earnings used to calculate basic earnings per share ($)	5,090,000	784,000

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.

B) Diluted earnings per share (cents)	6.6	1.4
Weighted average number of ordinary shares (number)	76,621,662	55,738,848
Earnings used to calculate diluted earnings per share ($)	5,090,000	784,000

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.

NOTE 28: DIVIDEND

	Economic Entity	
	2021	2020
	$'000	$'000
Final dividend for the year ended 30 June 2020 of 0.3 cents per share, fully franked, paid on 19 October 2020 (2019: Nil)	229	-
Paid in Cash	229	-
Interim dividend for the year ended 30 June 2021 of 1.5 cents per share, fully franked, paid on 31 March 2021 (2020: Nil)	1,149	-
Paid in Cash	1,149	-
Total Dividends	1,379	-
Franking credits available for subsequent financial years at the 30% corporate tax rate after allowing for tax payable in respect of current year's profit and tax rules	6,254	6,139
Dividends not recognised at year end		
Since year end, the Directors have declared a fully franked final dividend of 1.6 cents per share. The total amount of the dividend expected to be paid on the 5th October 2021 out of retained profits, but not recognised as a liability at year end;	1,226	229

NOTE 29: AUDITORS' REMUNERATION

The disclosures include amounts received or due and receivable by BDO Audit Pty Ltd and their respective related entities.

Audit services

	2021	2020
	$	$
BDO Audit Pty Ltd		
Audit and review of financial reports under the *Corporations Act 2001*.	127,065	122,000
Total remuneration for audit services	127,065	122,000

Non-audit services

	2021	2020
BDO Audit Pty Ltd		
Tax compliance services, including review of company income tax returns	31,345	20,000
Other practices - BDO Auckland		
Tax compliance services, including review of company income tax returns	5,935	5,812
Total remuneration for non-audit services	37,280	25,812

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

NOTE 30: PARENT ENTITY INFORMATION

Information relating to Ambertech Limited (parent entity):

	Parent Entity	
	2021	2020
	$'000	$'000
Current Assets	16,501	15,933
Total Assets	21,084	20,490
Current Liabilities	2,165	1,587
Total Liabilities	2,165	1,587
Share capital	15,948	15,915
Share issue cost reserve	-	7
Retained earnings	2,971	2,981
Loss of the parent entity	(9)	(19)
Total comprehensive income of the parent entity	(9)	(19)

Contingent Liabilities

The parent entity had no contingent liabilities as at 30 June 2021 (2020: Nil).

Capital Commitments

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 (2020: Nil)

Significant Accounting Policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1 and throughout the notes.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:
   (a) comply with Australian Accounting Standards and the *Corporations Regulations 2001;* and
   (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date.

2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The directors have been given the declarations by the chief executive officer and chief operating officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 295(5)(a) of the *Corporations Act 2001*, and is signed for and on behalf of the directors by:

P F Wallace
Director

P A Amos
Director

Dated this 29th day of September 2021
Sydney

SHAREHOLDERS INFORMATION

The following information is required by the Australian Securities Exchange Limited.

DISTRIBUTION OF EQUITY SECURITY BY SIZE OF HOLDING:

		Number of Shareholders	Number of Ordinary Shares	% of Total Capital
1	to 1,000	82	62,929	0.08
1,001	to 5,000	217	654,494	0.83
5,001	to 10,000	114	895,145	1.13
10,001	to 100,000	240	8,298,345	10.50
100,001	and over	64	69,134,606	87.46
Total		717	79,045,519	100.00

The number of security investors holding less than a marketable parcel of 1,163 securities is 84 and they hold 66,355 securities.

EQUITY SECURITY HOLDERS

The twenty largest shareholders as at 15 October 2021 were:

Rank	Twenty largest holders	Number of shares	% of total capital
1	Appwam Pty Limited	27,638,357	35.02
2	BT Portfolio Services Limited (Amos Super Fund)	4,935,055	6.24
3	Wavelink Systems Pty Ltd (Employee Super Fund)	4,380,350	5.54
4	Mr Nathan Carlini	3,485,850	4.41
5	Wygrin Pty Ltd (Wygrin Pension Fund)	3,086,735	3.91
6	Mr Edwin Goodwin & Ms Julia Griffith (EFG Investments)	2,883,556	3.65
7	Wavelink Systems Pty Ltd	2,784,625	3.52
8	Horrie Pty Ltd (Horrie Superannuation)	2,656,795	3.36
9	Wallace Capital Pty Ltd (Super Fund)	2,418,206	3.06
10	BNP Paribas Nominees Pty Ltd (IB AU Noms Retail Client DRP)	1,689,769	2.14
11	SI Coprporation Pty Ltd (Santo Carlini DT)	1,640,182	2.08
12	Martini Super Pty Ltd (Martini Super Fund)	500,000	0.63
13	Mr Michael Carman & Mrs Alisha Carman (M Carman Investment Fund)	467,616	0.59
14	Breuer Investments Pty Ltd (Mark Breuer Family)	455,000	0.58
15	Esprezia Pty Ltd (Ryan Family)	400,000	0.51
16	Mr Ian Davies	400,000	0.51
17	Garry and Anita Beauchamp (Empire Park S/F)	372,728	0.47
18	Mr Ralph McCleery	357,599	0.45
19	Mr Joseph Paul Grech & Ms Deborah Lee Grech (J&D Grech Super Fund)	333,261	0.42
20	CJ Cornwell & Son Pty Ltd (CJ Cornwell Exec SF A/C)	330,728	0.42
		61,261,412	**77.50**

Source: Boardroom Pty Limited

SUBSTANTIAL SHAREHOLDERS

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

Shareholder	Number of shares	% of total capital
Appwam Pty Limited	27,638,357	35.02
Wavelink Systems Pty Ltd	7,214,975	9.13
Crowton Pty Limited	4,935,055	6.24

ON-MARKET BUY BACK

On 2 September 2005, the company lodged an Appendix 3C announcing an on-market buy-back of up to 1,543,150 ordinary shares on issue. On 28 September 2006 the company lodged an Appendix 3D amending the buy-back duration to unlimited. The company has not lodged an Appendix 3F to finalise the buy back as at 5 October 2020.

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 2021 no shares were bought back by the company.

VOTING RIGHTS

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

CORPORATE DIRECTORY

Directors
Peter F Wallace
Chairman
Peter A Amos
Managing Director
Tom R Amos
David R Swift
Santo Carlini

Company Secretary
Robert J Glasson

Share Registry
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Or

Level 12, 255 George Street
Sydney NSW 2000
T: +61 2 9290 9600 or
T: 1300 737 760

Financiers
Octet
Level 3, 10-14 Waterloo St
Surry Hills NSW 2010
T: +61 2 9356 6300

Auditors
BDO Audit Pty Ltd
Level 11, 1 Margaret Street
Sydney NSW 2000
T: + 61 2 9251 4100

ASX Listing
AMO

Registered Office
Unit 1, 2 Daydream Street
Warriewood NSW 2102
T: +61 2 9998 7600

Melbourne
Ground Floor
737 Burwood Road
Hawthorn VIC 3122
T: +61 2 9998 7600

Auckland
Unit 3, 77 Porana Road
Glenfield, Auckland 0672
New Zealand
T: + 64 9 443 0753

Web
www.ambertech.com.au

Corporate Governance Statement
www.ambertech.com.au/investors/corporate-governance

NOTES

Ambertech
LIMITED

AMBERTECH LIMITED

PO Box 955, Mona Vale
NSW 1660

Unit 1, 2 Daydream St
Warriewood NSW 2102

Email: info@ambertech.com.au
Phone: 02 9998 7600
Fax: 02 9999 0770

ACN 079 080 158