Ambertech Limited

Annual Report

2014

Source. Supply. Support.

About Us

Recognised experts at reaching and supporting the entertainment, communications & technology markets throughout Australasia, Ambertech is one of Australia's largest and most respected distributors of high technology equipment solutions.

Ambertech has been delivering some of the world's most innovative & smartest electronics to the technically thirsty Australian & New Zealand markets since 1987. Our customers enthusiastically embrace new technology well in advance of many other countries and Ambertech provides the bridge between state-of-the-art manufacturers and customers who demand the best available.

With offices & representatives in all major capital cities, supported by a comprehensive national network of authorised dealers & service agents, Ambertech provides an efficient distribution and support system across a territory larger than the USA with just one tenth of the population. This wealthy, intelligent and demanding audience expects the best the world has to offer and the Ambertech team has built a well-deserved reputation for delivering exactly that.

Vision

From critical professional applications through to complete home lifestyle environments, the past 28 years have seen audio & video technologies evolve & merge at an extraordinary pace. Throughout this amazing technological revolution, Ambertech has constantly demonstrated an ability to predict future trends and constantly stay ahead of the curve in providing our diverse customer base with the tools they need as soon as they require them.

The Ambertech team is well aware that our clients expect only the very latest and best from us so we constantly scour the world to stay abreast of possible future market directions and the technology to satisfy them. Our success over these past decades has been built on a formula of offering only the best & most innovative technology to our clients and backing it up with unmatched after-sales support.

Contents

Ambertech Limited

Chairman's & Managing Director's Review

Dear Shareholders

On behalf of your Board and executive management we would like to present you with your 2014 Annual Report.

The most recent results of the company continue to reflect the many challenges that have presented themselves to the Board and management of Ambertech in recent times. Whilst the 2014 results were an improvement over the prior year, your Board understands the need to return to a profit making business in the near term. Along with the senior management of the company, the Board is continuing to implement a strategy for building a more robust structure for future business.

Of major importance has been our recent announcement of new funding arrangements for the Company. The new facility provides Ambertech with greater flexibility to undertake new projects and to fund potential growth opportunities. This flexibility will assist the company in its current turnaround phase.

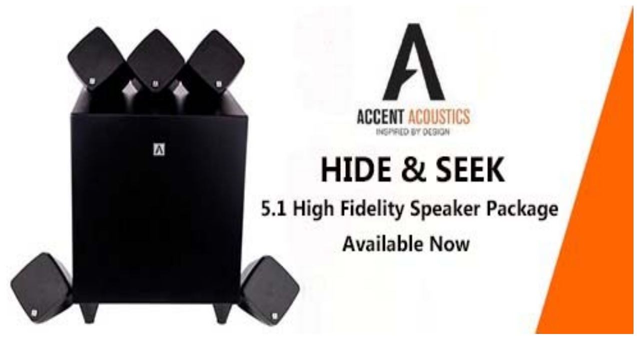
The board of Ambertech are, collectively, substantial shareholders in Ambertech and their interests continue to be aligned with the interests of all shareholders. The Board would like to thank their skilled and dedicated management team and staff for their support, and believe they will be integral in achieving the strategic objectives of Ambertech in the future.

Peter Wallace	Peter Amos
Chairman	Managing Director

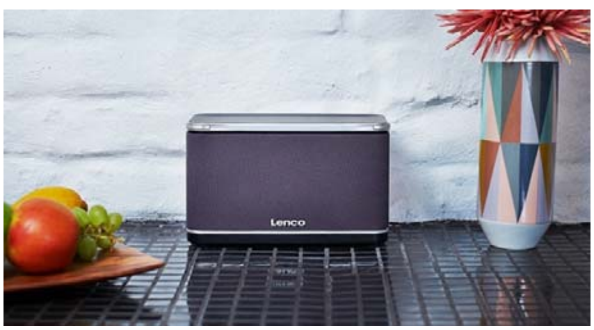
Lifestyle Entertainment Segment

During the 2014 financial year the Lifestyle Segment continued to lay a fresh foundation for growth with performing brands and products, a performing team and performing customer base. We have streamlined our business and focussed on core, complimentary brands which added value to every opportunity placed before us.

For the most part we enjoyed growth in many of our categories, market dominance in others but unfortunately tough conditions in one of our major product lines brought upon mostly by quality control and component failures. This aforementioned issue caused undue angst and resulted in an overall challenging year. Throughout the whole year our team dedicated their efforts into continuing our core values of integrity in business.



Accent Acoustics speaker pack



Lenco PlayLink 4

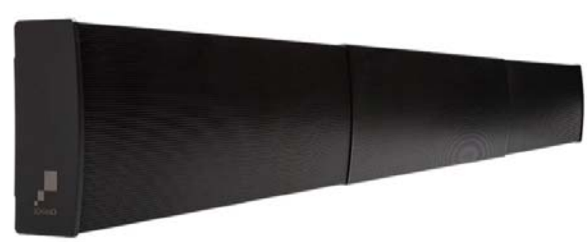
The Custom Installation industry, once again, recognised many of our brands via a respected industry magazine's 2nd annual Most Popular (brands) Awards. This year we took out 10 x 1st places, 2 x 2nd, 4 x 3rd and 1 x 4th places, including the coveted Distributor of the Year Award.

These awards are voted on by industry peers and integrators and show a true respect for the brands we represent. We are very proud of this achievement and our team that drives the brands.

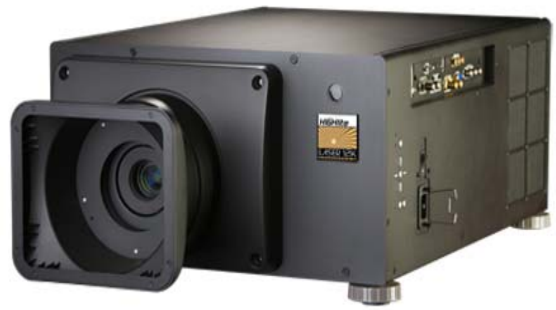
During the year, **Onkyo** announced their new range of AV receivers will incorporate the new Dolby Atmos technology. This is a first to market exclusive and should see significant growth for the brand and capture valuable shelf space into FY2015.

Integra enjoyed growth during the year and continues to garner great support from the custom installation industry due to its exclusivity in this market segment.

Similar to Onkyo, Integra has announced the inclusion of Dolby Atmos into the new range of AV receivers. This inclusion should cement our position as the preferred AV receiver for custom installations.


Sonance adjustable sound bar – perfectly matches the width of your TV

Business Segment Update



HighLite 10k/12k Laser Projector by Digital Projection

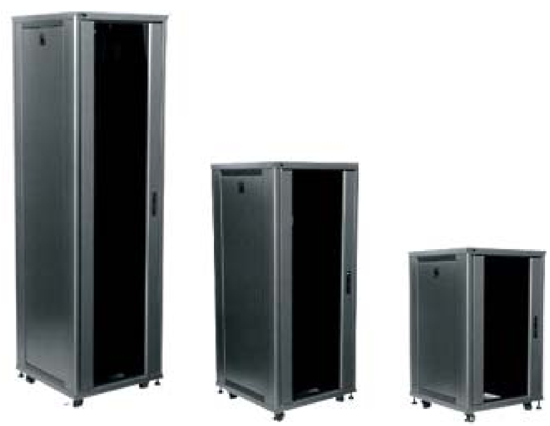
And lastly, we took all the years of Amber's intelligence and equity within the markets we have served over many years and gave birth to our very first iteration of a home theatre speaker package.

The **Accent Acoustics** Hide & Seek was launched late in the FY with the high expectation of proud parents. We will now nurture its growth and pool our resources to make sure of its success.

As we look to the future, our industry has many challenges which we have no option but to face head on. We continue to work with the utmost professionalism and integrity and expect nothing but the best for our customers and our suppliers.

Sonance has again enjoyed significant growth during the financial year and dominates the categories the brand is associated with. **One For All's** Universal Remote Controls and Indoor Antenna's continue to grow and again broke new sales records for the company.

Of our newer brands, **Middle Atlantic** performed well above our expectations and showed pleasing growth. We expect this to continue as the brand becomes more entrenched into the Amber DNA. **Digital Projection** will edge us back into the lucrative high bright projector business which has been out of our reach for the past couple of years.



Middle Atlantic RCS pre-configured rack series

The dedication of a fantastic, loyal, hardworking team at Amber will continue to steer the ship in the right direction and strive for success.

Business Segment Update

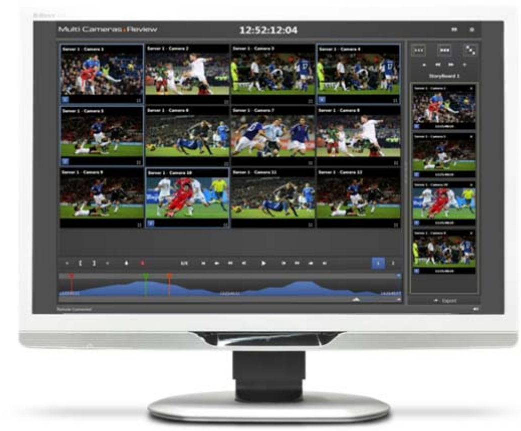
Professional Segment

The Professional Products Group performance for the year provided consistent performance across the majority of our brands.

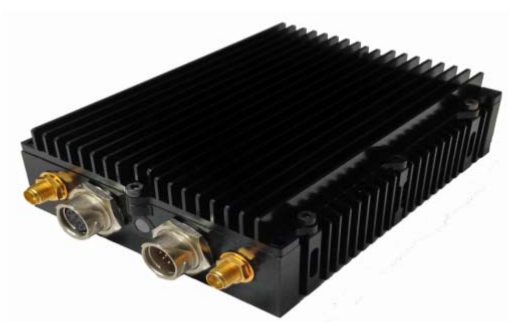
The Live Sound and Performance sector continues to show growth and installation projects that have been delayed have now commenced roll out.

Our market share in the Musical Instrument Reseller market continues to provide consistent growth with the addition of new innovative models throughout our brand portfolio.

In the Broadcast sector we have had pleasing results due to technology changes being implemented by TV Networks – these projects are of high capital value and will continue over the coming financial year.



EVS MultiReview – slow motion and highlights



Award winning Streamcaster 3822 MIMO Radio by Silvus Technologies

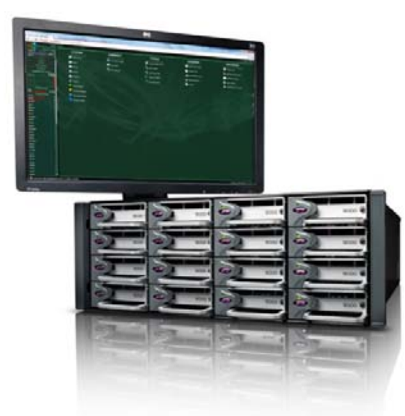
Our Broadcast/Media Systems product group continued to diversify and consolidate its product and market spread by adding a number of important lines to the portfolio, including **Ensemble Designs** and **Brainstorm**.

Ensemble Designs is a range of high quality standards converters and broadcast "toolkit" items designed to deliver a lower price point to make the line accessible both to the major broadcasters and to the wider post production/events markets.

Brainstorm is a range of 3D effects and virtual set products, again designed to improve the delivery of broadcast programming at a high level with reduced cost.

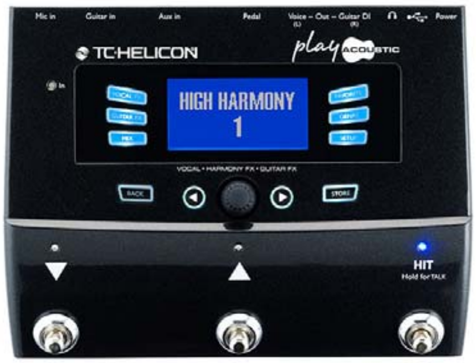
We also increased our sales headcount to improve our penetration with these and other products into both traditional post production and broadcast markets.

EVS continued to provide a strong sales engine for us, with some key developments in market diversification including our first **EVS** sale to Defence.



Avid ISIS 7500 – the cornerstone of 4K collaboration

Business Segment Update



TC HeliconPlay Acoustic

New **EVS** products such as the C-Cast system, which provides Tablet/Smartphone delivery of programming enhancements for sports events have gained global acceptance and stand to be excellent products moving forward.

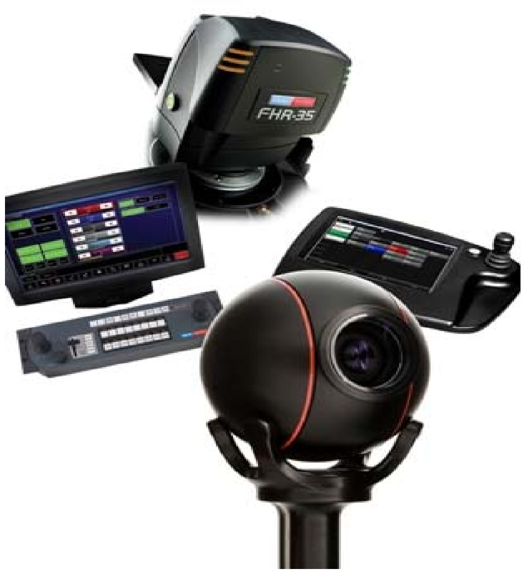
Examples of C-Cast in use include the Soccer World Cup IPad application from SBS, and Nine Network's Jump-In application which streamed the State of Origin Rugby to IPads around the country.

The recently introduced **Silvus Radio** systems are targeted mainly at Government users, and as such purchase lead times are long. However we have seen repeat purchases from Defence, as well as from some other key Australian organisations, and potential remains very high for the product.

Telestream and **AVID** business continued to be excellent, with major sales to Fox Sports and the Seven Network being the highlights of the year. We are hoepful that further **AVID** projects, delayed during the year, will now commence roll out in the coming months.

Solid State Logic Live Console

Milestone sales of **Snell** vision mixers were made during the year, which lead to optimism about gaining brand acceptance for these products in the coming months. Globally regarded as the best vision mixers available, Snell Kahuna systems have been difficult to sell in Australia historically due to heavily entrenched competition and an understandable reluctance of broadcasters to switch technologies in this core area of their operations. However with systems now active in country, and happy customers driving them, we have good reason to believe that this position may change.



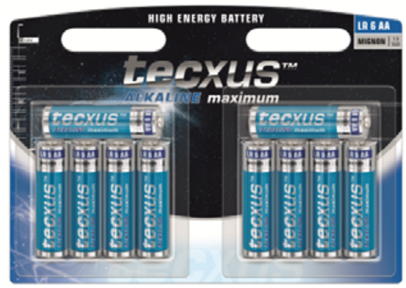
Vinten Radamec all in one camera robotics solution

The group continues to invest in promotion and market expansion, with a busy exhibition and sales schedule across all sectors. With bids in place for several major projects and a number of carry-overs of postponed projects from last year in the pipeline, we are hopeful of returning a good result for the 2014/15 financial year.

Ambertech Limited

Business Segment Update

New Zealand Segment

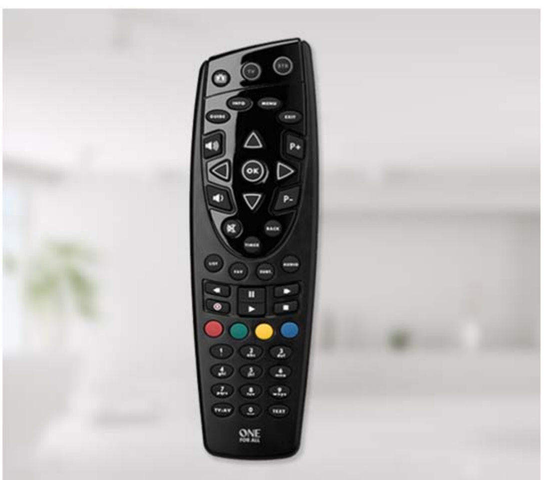


Tecxus Alkaline AA Batteries

The 2013/14 financial year was another challenging one for our New Zealand operation, however we did manage some modest growth of our key agencies.

We continues to experience growth with our **Texcus** brand with improvements in our supply chain assisting to sustain growth with our customer base.

Gefen continues to innovate and maintain its market lead with their growing range of products. Part of the growth in this area can be attributed to the additional effort the team made to provide regular customer training sessions and follow-ups.



One For All URC1665

Our projector and screen business with **Optoma** and **Ambertec** brands continues to perform well. In the second half of the financial we introduced some new initiatives for the education sector to further enhance **Optoma, Ambertec** and **Lumens** sales.

We are also pleased to announce that during the last quarter we were able to add Dick Smith Electronics (DSE) to a growing list of retailers who now stock One For All (OFA) products.

Our broadcast group had a strong contribution this year through project work.   Our pro audio group continues to be a consistent performer. The **TC Electronic Group** and **Neutrik** are the strongest performers in this market sector.

Our principals have some exciting new products on the horizon. We have a good pipeline of projects but as always market conditions and finance with be the deciding factors on whether these projects progress.

During the first quarter of the new financial year we have launched our new amber.co.nz website, including an online store to complement our existing online channels.

Our Brands

ACCENT LIFESTYLE
INSPIRED BY DESIGN

ACCENT DIGITAL
INSPIRED BY DESIGN

ACCENT AUDIO
INSPIRED BY DESIGN

ACCENT VISUAL
INSPIRED BY DESIGN

ACCENT ACOUSTICS
INSPIRED BY DESIGN

audioquest.

ANT
ADVANCED NETWORK TELEMETRY

AMBERTEC

AVID
avid.com

AVID
Avid Audio

ANALYSIS PLUS

Alpermann+Velte

axle™ radically simple

BeeWi
Simply wireless

Blue Microphones

BrightEye™

CANARE

CLEERLINE™
TECHNOLOGY GROUP

cp cases

C6

Our Brands

CIOKS

COOL COMPONENTS INCORPORATED

CORDIAL we are cable

COLOUD

DIGITAL PROJECTION

DPA MICROPHONES

DYNAUDIO Professional

DAVID HORN COMMUNICATIONS LTD

EVS

Energizer

EditShare the smart way to edit together

GEFEN

Hercules

ICON SHELF

iPort

Integra

ISO•MAX

JET ★ CITY AMPLIFICATION

Ambertech Limited

Our Brands

knoll™

Lenco

Liberty AV SOLUTIONS
A SUBSIDIARY OF COMMUNICATIONS SUPPLY CORPORATION

Lumens™

LAUNCHPORT

LITE PANELS®

Middle Atlantic Products

Marshall HEADPHONES

MICHELL ENGINEERING

MicroVideo

MOLAMI

NAVITAR

niveo PROFESSIONAL

NEUTRIK

NHT

NTi AUDIO

NuVō

NUGEN Audio

Ambertech Limited

Our Brands

niveo PROFESSIONAL

ONE FOR ALL

Optoma

ONKYO

opticomm emcore

plantronics. Simply Smarter Communications™

PATH 1

PREMIER MOUNTS® The original holding company™

Panasonic

PERCEPTIVE PIXEL

PRIMACOUSTIC

PROEL

progressive Laboratories

REAN

PEAK ANTENNAS

Radial engineering

Solid State Logic SOUND || VISION

SONANCE®

SONARRAY™ BY SONANCE

STS sigma technology systems

Our Brands

SiLVUS TECHNOLOGIES

snell

Streambox

TANNOY

tecxus the power of X

tc electronic

TC·HELICON

Telestream

TONEBONE

TrickleStar Conserving energy. Improving life.

TROLL SYSTEMS

trilogy

URBANEARS

Vinten

VIRTUAL KATY

Vandamme ROUTE OF LEAST RESISTANCE

Fluorescent Lighting Systems Videssence

Vinten RADAMEC BROADCAST ROBOTICS

VUE audiotechnik

WELLAV

XenData

Ambertech Limited

Corporate Governance Statement

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

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

	Principle		Current Practice
1.1	Formalise and disclose functions reserved to the Board and those delegated to management.	✓	Outlined in the Ambertech Board Charter available from the investor section of the Ambertech website.
1.2	Disclose the process for evaluating the performance of senior executives.	✓	Outlined in the Corporate Governance Summary available from the investor section of the Ambertech website.
1.3	Disclose whether performance evaluation of senior executives has taken place in accordance with the disclosed process.	✓	Performance evaluations for the 2013/14 year for the Managing Director and CFO were completed in September 2014.
2.1	A majority of the Board should be independent directors.	x	The Board has taken a view that independence extends to non-executive directors with less than 10% of issued capital, resulting in 3 out of 5 directors being considered "independent".
2.2	The chairperson should be an independent director.	✓	Satisfied.
2.3	Roles of the chairperson and the managing director should not be exercised by the same person.	✓	Satisfied.
2.4	The Board should establish a nomination committee.	✓	A copy of the Remuneration and Nomination Committee charter is available from the investor section of the Ambertech website.
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	✓	Outlined in the Corporate Governance Summary available from the investor section of the Ambertech website.
2.6	Companies should provide the information about the board specified in the reporting guide to Principle 2.	✓	Directors and Board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, subject to approval of cost by the Chairman. Further information is contained in the Directors' Report and outlined in the Corporate Governance Summary available from the investor section of the Ambertech website.
3.1	Establish a code of conduct and disclose the code.	✓	A copy of the Code of Conduct is available from the investor section of the Ambertech website.
3.2	Establish a policy concerning diversity and disclose the code.	✓	A copy of the Diversity Policy is available from the investor section of the Ambertech website.
3.3	Disclose measureable objectives for achieving gender diversity and progress towards achieving them.	✓	Given the small size of Ambertech, the only measurable objective at this point is to increase gender diversity within the company as a whole rather than focus on change within discrete functional areas.

3.4	Disclose in the Annual Report the proportion of women employees in the whole organisation, in senior executive positions and on the Board.	✓	21.9% (2013: 20.9%) of Ambertech employees are women. 14.3% (2013: 14.3%) of the senior executives are women. There are currently no women on the Board.
4.1	The Board should establish an audit committee.	✓	Satisfied.
4.2	Structure the audit committee so that it consists of only non-executive directors, a majority of independent directors, and the chairperson is independent and not the chair of the board and has at least three members.	x	The Audit and Risk Management Committee has only two members as it would be inefficient for the structure of the board to have three members.
4.3	The audit committee should have a formal charter	✓	A copy of the Audit and Risk Management Committee Charter is available from the investor section of the Ambertech website.
4.4	Report on the above including names of members and qualifications, numbers and meetings and attendees in the annual report	✓	Information contained in the Directors' Report.
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing rule disclosure requirements and to ensure accountability at senior management level for that compliance.	✓	A copy of the Continuous Disclosure and Communications Policy is available from the investor section of the Ambertech website.
5.2	Post relevant disclosure policies on website and disclose any departures.	✓	Satisfied. See the Ambertech website.
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	✓	A copy of the Continuous Disclosure and Communications Policy is available from the investor section of the Ambertech website.
6.2	Use the company website to provide information, including webcasting, press releases and shareholder information by email.	✓	Satisfied. See the Ambertech website.
7.1	The Board or appropriate board committee should establish policies on risk oversight and management and disclose a summary of those policies.	✓	A copy of the Risk Management Policy is available from the investor section of the Ambertech website.
7.2	The Board should require management to design, implement and report against a risk management and control system.	✓	Satisfied.
7.3	The Board should disclose whether it has received assurance from the Managing Director/CFO that the declaration under Sec 295A of the Corporations Act is founded on a sound system of risk management and an effective system of identifying financial reporting risks.	✓	Satisfied. The Managing Director and CFO provide assurance to this effect to the Board.
7.4	Information specified in the guide on Principle 7 should be provided.	✓	Satisfied.
8.1	The Board should establish a Remuneration Committee.	✓	A copy of the Remuneration and Nomination Committee charter is available from the investor section of the Ambertech website.
8.2	Clearly distinguish the structure of non-executive director remuneration from that of executive directors and senior management	✓	Satisfied.
8.3	Information specified in the guide to Principle 8 should be provided.	✓	Information contained in the Directors' Report.

Financial Report

For the year ended 30 June 2014
ACN 079 080 158

AMBERTECH LIMITED

AND CONTROLLED ENTITIES

ACN 079 080 158

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report together with the financial statements of the consolidated entity consisting of Ambertech Limited and its controlled entites, ("company" or "economic entity") for the year ended 30 June 2014 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 20 groups of companies.
Mr Wallace has a Bachelor of Commerce degree from the University of New South Wales and a Master of Business Administration degree from Macquarie University. He is a member of the Institute of Chartered Accountants, and a fellow of the Australian Institute of Company Directors.

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

Peter Andrew Amos

Managing Director

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

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

Thomas Robert Amos

Non-Executive Director

Tom Amos founded telecommunications consultancy Amos Aked Pty Limited in the early 1980s. His career in telecommunications and media spans over 30 years, during which time he has been involved in all facets of the industry. An engineer by profession, Mr Amos holds a B.E. (Electrical Engineering) degree from Sydney University.
Mr Amos has also been prominent in the telecommunication deregulation debate over a period of 15 years as a (former) director and Vice Chairman of Australian Telecommunications Users Group Limited ("ATUG") and as an industry commentator. He is a director of Wave Link Systems Pty Limited and Amos Aked Swift (NZ) Limited.

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

Edwin Francis Goodwin

Non-Executive Director

Chairman of the Audit and Risk Management Committee

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

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

David Rostil Swift

Non-Executive Director

Member of the Remuneration and Nomination Committee.

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

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

Company Secretary

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

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

CORPORATE INFORMATION

Nature of operations and principal activities

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

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

Employees

The economic entity employed 94 full time employees as at 30 June 2014 (2013: 90 employees).

REVIEW AND RESULTS OF OPERATIONS

The consolidated loss of the economic entity after providing for income tax for the financial year was $1,000,000. This was improved from a loss after tax of $2,212,000 in the previous period. Total revenues for the financial year decreased by 11.3% to $48,281,000 (2013: $54,451,000), due mainly to reduced capital projects work. Further information on the operations is included in the Chairman's and Managing Director's Report section of the Annual Report, and in the ASX Appendix 4E.

FINANCIAL POSITION

Despite a disappointing operating result the directors believe the economic entity is in a reasonably strong and stable financial position with the potential to expand and grow its current operations. The economic entity recorded negative operating cash flows of $2,360,000 for the year ended 30 June 2014 in difficult trading conditions. whilst borrowings were increased by $163,000 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 decreased by $789,000 to $8,553,000 as at 30 June 2014 (2013: $9,342,000). The net assets of the economic entity have also decreased by $918,000 to $12,239,000 as at 30 June 2014 (2013: $13,157,000).

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.

SIGNIFICANT EVENTS AFTER BALANCE DATE

On 4 August 2014, the economic entity announced that management has successfully negotiated a new two year finance facility with Bibby Financial Services. The new facility is an invoice discounting solution with approval up to $6M and replaces the Commonwealth Bank of Australia as the primary lenders to the business.

On 16 September 2014 the Board announced that Mr R Glasson (CFO, Company Secretary) had tendered his resignation and would be leaving the economic entity early in the 2015 calendar year. A successor is yet to be appointed 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

After a challenging 2013-14 financial year, the Board and management remain focused on utilising the traditional strengths of the Ambertech business as a technical distributor to bring new products and brands to market and to redefine the methods and channels in which the business operates. These initiatives continue to progress into the 2014-15 financial year, and the Board and management belive that the business is now well placed to take advantage of opportunities in the market to drive 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.

At the 2013 AGM, the non-binding resolution to adopt the Remuneration Report was not approved. As this was the second consecutive vote against the Remuneration Report, a shareholder vote on whether to hold a spill meeting was required. The result of this vote was that this resolution was not carried and no spill meeting occurred.

The Board believes that the predominant sentiment against the resolution was general criticism of the Company and other issues not related to executive remuneration. Whilst the Board understands the concerns expressed by shareholders, it maintains the view that it is in the shareholders' interests that the existing executive management team is retained, believing that they are best placed to lead the Company through its current challenges.

Consistent with this view, there have been no significant changes to the remuneration strategy employed by the Board for the 2014 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 Financial Officer

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

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

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.

As a result of the financial performance of the company, the Managing Director and CFO have foregone the entirety of their short term incentive and KPI salary components for each of the 2011, 2012,2013 and 2014 financial years.

REMUNERATION REPORT (continued)

Other Executives

Remuneration of other key executives is set by the Managing Director and Chief Financial 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:

	2014	2013	2012	2011	2010
Dividends paid (cents per share)	-	-	-	0.5	5.5
Closing share price at 30 June ($)	$0.20	$0.23	$0.24	$0.31	$0.38
Share buy back ($'000)	-	-	-	8	-
Net (loss) / profit after tax ($'000)	(1,000)	(2,212)	(4,693)	126	1,606

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 CFO, Company Secretary
P Amos	Group Managing Director	P Simmons	General Manager, Lifestyle Entertainment
T Amos	Non-Executive Director	R Caston	General Manager, Broadcast & Professional
E Goodwin	Non-Executive Director	R McCleery	Managing Director, Amber New Zealand
D Swift	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.

On 16 September 2014 the Board announced that Mr R Glasson (CFO, Company Secretary) had tendered his resignation and would be leaving the economic entity early in the 2015 calendar year. A successor is yet to be appointed at the date of this report.

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

2014	**Short-term employment benefits**		**Post employment benefits**	**Share based payments**			
Directors	**Cash salary**	**Cash Bonus**	**Superannuation**	**Options**	**Total**	**% Performance Related**	**% Relating to Options**
	$	**$**	**$**	**$**	**$**		
P Amos	357,799	-	33,096	-	390,895	0.0%	0.0%
P Wallace	55,046	-	5,092	-	60,138	0.0%	0.0%
T Amos	32,111	-	2,970	-	35,081	0.0%	0.0%
E Goodwin	32,111	-	2,970	-	35,081	0.0%	0.0%
D Swift	90	-	34,990	-	35,080	0.0%	0.0%
	477,157	-	79,119	-	556,276	0.0%	0.0%
Executives							
R Glasson	192,661	-	17,821	-	210,482	0.0%	0.0%
R Caston	182,473	5,000	25,000	-	212,473	2.4%	0.0%
P Simmons	169,696	-	24,999	-	194,696	0.0%	0.0%
R McCleery	126,457	-	-	-	126,457	0.0%	0.0%
	671,287	5,000	67,820	-	744,107	0.7%	0.0%

(1) On 15 September 2013, a cash bonus of $5,000 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.

2013	**Short-term employment benefits**		**Post employment benefits**	**Share based payments**			
Directors	**Cash salary**	**Cash Bonus**	**Superannuation**	**Options**	**Total**	**% Performance Related**	**% Relating to Options**
	$	**$**	**$**	**$**	**$**		
P Amos	357,799	-	32,202	756	390,757	0.0%	0.2%
P Wallace	55,046	-	4,954	-	60,000	0.0%	0.0%
T Amos	32,111	-	2,890	-	35,001	0.0%	0.0%
E Goodwin	32,111	-	2,890	-	35,001	0.0%	0.0%
D Swift	11,735	-	23,265	-	35,000	0.0%	0.0%
	488,802	-	66,201	756	555,759	0.0%	0.1%
Executives							
R Glasson	192,661	-	17,340		210,001	0.0%	0.0%
R Caston	178,991	5,000	19,541		203,532	2.5%	0.0%
P Simmons	167,591	-	21,277	-	188,868	0.0%	0.0%
R McCleery	112,027	-	-		112,027	0.0%	0.0%
	651,270	5,000	58,158	-	714,428	0.7%	0.0%

(1) On 14 September 2012, a cash bonus of $5,000 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.

REMUNERATION REPORT (continued)

Service agreements

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

The agreement commenced on 31 May 1999 and continues indefinitely. In the event that the company was to exercise its right to terminate the contract, the current payout value would be $380,000 (2013: $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.

There were no options on issue to directors and key executives at the date of this report. There were no options issued during or since the end of the financial year.

REMUNERATION REPORT (continued)

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

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

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

End of Remuneration Report

Interests of Directors

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

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

DIVIDENDS

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

Dividend Type	Record Date	Payment Date	Cents per share	Franking %	Tax rate
Declared and paid during the year ended 30 June 2014:					
Nil				100%	30%

DIRECTORS' MEETINGS

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

	Board Meetings		Audit and Risk Management Committee Meetings		Nomination and Remuneration Committee	
Director	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**
P Wallace	12	12	4	4	2	2
P Amos	12	12	-	-	-	-
T Amos	12	12	-	-	-	-
E Goodwin	11	12	4	4	-	-
D Swift	11	12	-	-	2	2

NON-AUDIT SERVICES

It is the economic entity's policy to employ BDO East Coast Partnership (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 27.

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

PROCEEDINGS ON BEHALF OF THE COMPANY

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

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 28.

INDEMNIFICATION OF OFFICERS

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

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

ROUNDING

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

Signed in accordance with a resolution of directors.

Director:

P F Wallace	P A Amos

Dated this 26th day of September 2014.
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 ARTHUR MILNER TO THE DIRECTORS OF AMBERTECH LIMITED

As lead auditor of Ambertech Limited for the year ended 30 June 2014, 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 period.

Arthur Milner
Partner

BDO East Coast Partnership

Sydney, 26 September 2014

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 Financial Report

We have audited the accompanying financial report of Ambertech Limited, which comprises the consolidated statement of financial position as at 30 June 2014, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Ambertech Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

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

  (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies *with International Financial Reporting Standards* as disclosed in Note 2(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 25 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Ambertech Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Arthur Milner
Partner

Sydney, 26 September 2014

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

		Economic Entity	
	Note	2014 $'000	2013 $'000
Revenue	3	48,281	54,451
Cost of sales	4	(34,095)	(41,828)
Gross profit		14,186	12,623
Other income	3	144	12
Employee benefits expense	4	(8,512)	(9,060)
Distribution costs		(1,568)	(1,328)
Marketing costs		(1,195)	(1,348)
Premises costs		(1,895)	(1,926)
Depreciation and amortisation expenses	4	(285)	(350)
Finance costs		(459)	(424)
Travel costs		(576)	(555)
Other expenses		(840)	(849)
(Loss) before income tax	4	(1,000)	(3,205)
Income tax benefit	5	-	993
(Loss) for the year		**(1,000)**	**(2,212)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		82	63
Other comprehensive income for the year, net of tax		82	63
Total comprehensive income for the year		**(918)**	**(2,149)**
Earnings per share			
Basic earnings per share (cents)	25	(3.3)	(7.2)
Diluted earnings per share (cents)	25	(3.3)	(7.2)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	Economic Entity 2014 $'000	Economic Entity 2013 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	23	511	2,843
Trade and other receivables	6	8,242	8,935
Current tax assets	7	11	10
Inventories	8	13,760	12,835
TOTAL CURRENT ASSETS		22,524	24,623
NON-CURRENT ASSETS			
Plant and equipment	10	1,575	1,794
Intangible assets	11	25	40
Deferred tax assets	5	2,387	2,421
TOTAL NON-CURRENT ASSETS		3,987	4,255
TOTAL ASSETS		26,511	28,878
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	8,258	9,983
Other financial liabilities	13	4,007	3,844
Provisions	14	1,706	1,454
TOTAL CURRENT LIABILITIES		13,971	15,281
NON-CURRENT LIABILITIES			
Provisions	14	240	299
Other financial liabilities	13	58	91
Deferred tax liabilities	5	3	50
TOTAL NON-CURRENT LIABILITIES		301	440
TOTAL LIABILITIES		14,272	15,721
NET ASSETS		12,239	13,157
EQUITY			
Share capital	15	11,138	11,138
Reserves	16	13	(69)
Retained earnings		1,088	2,088
TOTAL EQUITY		12,239	13,157

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

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Share Capital $'000	Option Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total Equity $'000
Economic Entity					
Balance as at 30 June 2012	**11,138**	**14**	**(132)**	**4,285**	**15,305**
Loss for the year	**-**	**-**	**-**	**(2,212)**	**(2,212)**
Other comprehensive income for the year	**-**	**-**	**63**	**-**	**63**
Total comprehensive income for the year	-	-	63	(2,212)	(2,149)
Transactions with equity holders:					
Costs of share based payments	-	(14)	-	15	1
Total transactions with equity holders	-	(14)	-	15	1
Balance as at 30 June 2013	**11,138**	**-**	**(69)**	**2,088**	**13,157**
Loss for the year	**-**	**-**	**-**	**(1,000)**	**(1,000)**
Other comprehensive income for the year	**-**	**-**	**82**	**-**	**82**
Total comprehensive income for the year	-	-	82	(1,000)	(918)
Transactions with equity holders:					
Costs of share based payments	-	-	-	-	-
Total transactions with equity holders	-	-	-	-	-
Balance as at 30 June 2014	**11,138**	**-**	**13**	**1,088**	**12,239**

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

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	Economic Entity 2014 $'000	2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		53,775	57,766
Payments to suppliers and employees		(52,140)	(53,221)
Interest received		25	34
Interest and other costs of finance paid		(458)	(424)
Income taxes refunded		-	124
Goods and services tax remitted		(3,562)	(4,131)
Net cash (used in)/ provided by operating activities	23	(2,360)	148
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(50)	(137)
Payments for intangible assets - website		-	(35)
Net cash (used in) investing activities		(50)	(172)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		133	404
Repayment of borrowings		(33)	(30)
Net cash provided by financing activities		100	374
Net (decrease)/increase in cash and cash equivalents held		(2,310)	350
Cash and cash equivalents at beginning of year		2,843	2,495
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies at the beginning of the financial year		(22)	(2)
Cash and cash equivalents at end of year	23	511	2,843

The 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 and rounded to the nearest one thousand dollars.

Registered office

Unit 1, 2 Daydream Street, Warriewood NSW 2102.

Authorisation of financial statements

The financial statements were authorised for issue on 26 September 2014 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.

<u>Statement of Compliance</u>

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).

<u>Going Concern</u>

During the year the economic entity breached its loan covenants in relation to its financing facilities that were to expire on 30 November 2014. Subsequent to the balance date, on 30 July 2014 the economic entity entered into a new finance facility with Bibby Financial Services. This new finance facility is an invoice discounting solution with approval up to $6M and replaces the Commonwealth Bank of Australia as the primary lenders to the business.

The new facility has a two year term.

After taking into account all of the available information, the directors have concluded that there are reasonable grounds to believe that the basis for the preparation of the financial statements on a going concern basis is appropriate.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Overall Policy (continued)

New, revised or amending Accounting Standards and Interpretations adopted

The economic 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. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the economic entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the economic entity.

The following Accounting Standards and Interpretations are most relevant to the economic entity:

(i) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.

The economic entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fiar value when a market becomes less active. The 'highest' and best use' approach is used to measure non-financial assets where liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

(ii) AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119

The economic entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

(iii) AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The economic entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

(iv) AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The economic entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Overall Policy (continued)

New Accounting Standards issued but not yet effective

The following standards, amendments to standards and interpretations have been identified as those which may impact the economic entity in the period of initial application. They are available for early adoption at 30 June 2014, but have not been applied in preparing these financial statements.

(i) AASB 9 Financial Instruments and its consequential amendments
This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

(ii) AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

(iii) AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

(iv) AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Annual Improvements to IFRSs 2010-2012 Cycle
These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

(vi) Annual Improvements to IFRSs 2011-2013 Cycle
These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

(vi) IFRS 15 – Revenue from contracts with customers
An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue. This is applicable for annual reporting periods beginning on or after 1 January 2017. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.

(b) Significant Judgements and Key Assumptions

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Judgements and Key Assumptions (continued)

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences and tax losses only if the economic entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Provision for impairment of inventories
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.

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

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

(c) Consolidation Policy

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

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

(d) Revenue Recognition

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

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

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

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

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

(e) Cash and Cash Equivalents

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Trade and other receivables

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

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

(g) Inventories

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

(h) Plant and Equipment

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

Plant and equipment is depreciated over 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. 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.

(i) Intangible Assets

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 (refer to note 2(j)).

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

Website Costs

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of Assets

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

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

(k) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the economic entity prior to the end of financial year which are unpaid. 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.

(l) Borrowings

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

(m) Service Warranties

Provision is made for the estimated liability on all products still under warranty at balance date. The provision is based on estimates made from historical warranty costs associated with similar products.

(n) Leases

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

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

(o) Share Based Payments

Options issued over ordinary shares are valued using 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.

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Employee Benefits

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

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

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

(q) 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.

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

Tax consolidation legislation

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

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

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Foreign Currency Translation

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at exchange rates 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.

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

(s) Earnings Per Share

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

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

(t) Share Capital

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

(u) Dividends

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

(v) Borrowing Costs

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

(w) Goods and Services Tax

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

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

(x) Derivative financial instruments

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

	Economic Entity	
	2014	2013
	$'000	$'000
NOTE 3: REVENUE		
Revenue		
- Sale of goods and services	48,256	54,417
- Interest received	25	34
	48,281	54,451
Other income		
- Net foreign exchange gains	144	12
	144	12
NOTE 4: EXPENSES		
Additional information on the nature of expenses		
Inventories		
Cost of sales	34,095	41,828
Movement in provision for inventory obsolescence	(1,525)	2,177
Employee benefits expense		
Salaries and wages	7,794	8,047
Defined contribution superannuation expense	697	680
Employee termination expense	21	333
	8,512	9,060
Depreciation		
Plant and equipment	71	107
Furniture and fittings	38	43
Leasehold improvements	145	144
Leased plant and equipment	16	16
	270	310
Amortisation		
Website costs	15	40
Bad and doubtful debts	27	166
Rental expense on operating leases:		
Minimum lease payments	1,316	833
Net loss on disposal of plant and equipment	-	1
Net fair value (loss)/gain on derivative financial instruments - forward exchange contracts	(32)	49

	Economic Entity 2014 $'000	Economic Entity 2013 $'000
NOTE 5: INCOME TAX		
Major components of income tax		
Under provision in prior years	12	8
Deferred tax	(12)	(1,001)
Income tax benefit	-	(993)
Reconciliation between income tax and prima facie tax on accounting (loss)		
(Loss) before income tax expense	(1,000)	(3,205)
Tax at 30% (2013:30%)	(300)	(962)
Tax effect of non deductible expenses/non assessable income		
- Entertainment	18	7
- Other items	(87)	(46)
Unused tax losses not recognised as deferred tax assets	357	0
Under provision for income tax in prior years	12	8
Income tax (benefit) / expense	-	(993)

Applicable tax rate

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

	2014 $'000	2013 $'000
Analysis of deferred tax assets		
Employee benefits	485	449
Plant and equipment	97	76
Intangible assets	3	12
Accrued expenses	267	225
Allowance for doubtful accounts	24	24
Provision for obsolesence	322	781
Inventory	39	23
Unrealised foreign currency loss	-	32
Tax losses	1,110	766
Other	40	33
	2,387	2,421
Analysis of deferred tax liabilities		
Leases	-	48
Other	3	2
	3	50

Tax consolidated group

Ambertech Limited is head entity in a tax consolidated group. The tax consolidated legislation has been applied in respect of the year ended 30 June 2014.

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

Tax Losses

In order to recognise a deferred tax asset relating to tax losses, the Directors must be satisfied that forecast results provide sufficient evidence that the economic entity will be able to utilise tax losses against future taxable profits of the economic entity. As a general rule, Directors will consider forecast reults over a three year period as a guide to determining the recoverability of the asset.

At the balance date, the economic entity has unused tax losses available of $4,782,000 (2013: $2,553,000). A deferred tax asset has not been recognised for $1,190,000 of these tax losses (2013: Nil). The potential benefit of these losses at 30% is $357,000 (2013: Nil).

	Economic Entity 2014 $'000	Economic Entity 2013 $'000

NOTE 6: TRADE AND OTHER RECEIVABLES

Current

	2014 $'000	2013 $'000
Trade accounts receivable (a)	7,970	8,322
Provision for impairment of receivables (b)	(82)	(81)
	7,888	8,241
Other receivables (a)	197	490
Derivative financial instruments - forward exchange contracts	-	49
Prepayments	157	155
	8,242	8,935

(a) Current trade and other receivables are non-interest bearing loans, generally between 30 and 60 day terms. A provision for impairment is recognised when there is objective evidence that a trade or other receivable is impaired. These amounts have been included in the other expenses item.

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

Current trade receivables	2014 $'000	2013 $'000
Opening balance	81	186
Charge for the year	28	61
Amounts written off	(27)	(166)
Closing balance	82	81

(c) The economic entity's exposure to credit risk and impairment losses related to trade and other receivables is disclosed at note 24.

NOTE 7: CURRENT TAX ASSETS

The current tax asset in the economic entity of $11,000 (2013: $10,000) represents the amount of income tax recoverable in respect of current and prior years that arise from the payment of tax in excess of amounts due to the relevant tax authority.

NOTE 8: INVENTORIES

Current

	2014 $'000	2013 $'000
Finished goods	13,067	13,410
Stock in transit	1,778	2,035
	14,845	15,445
Provision for obsolescence (a)	(1,085)	(2,610)
	13,760	12,835

(a) Movement in the provision for obsolescence is as follows:

	2014 $'000	2013 $'000
Opening balance	2,610	433
Charge for the year	537	2,733
Amounts written off	(2,062)	(556)
Closing balance	1,085	2,610

NOTE 9: CONTROLLED ENTITIES

Entity	Country of Incorporation	Percentage Owned 2014	Percentage Owned 2013
Parent Entity			
- Ambertech Limited	Australia		
Subsidiaries of Ambertech Limited			
- Amber Technology Limited	Australia	100%	100%
Subsidiaries of Amber Technology Limited			
- Alphan Pty Limited	Australia	100%	100%
- Amber Technology (NZ) Limited	New Zealand	100%	100%

NOTE 10: PLANT AND EQUIPMENT

Non-Current

	Cost		Accumulated depreciation		Net carrying amount	
	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000
Economic Entity						
Plant and equipment	1,274	1,297	(1,097)	(1,085)	177	212
Furniture and fittings	483	482	(311)	(272)	172	210
Leasehold improvements	1,412	1,412	(307)	(177)	1,105	1,235
Leased plant and equipment	170	170	(49)	(33)	121	137
Total plant and equipment	3,339	3,361	(1,764)	(1,567)	1,575	1,794

Reconciliation of carrying amounts:

2014	Plant and equipment $'000	Furniture and fittings $'000	Leasehold improvements $'000	Leased plant and equipment $'000	Total $'000
Balance at the beginning of the year	212	210	1,235	137	1,794
Additions	37	-	15	-	52
Disposals	(1)	-	-	-	(1)
Depreciation and amortisation expense	(71)	(38)	(145)	(16)	(270)
Carrying amount at the end of the year	177	172	1,105	121	1,575

2013	Plant and equipment $'000	Furniture and fittings $'000	Leasehold improvements $'000	Leased plant and equipment $'000	Total $'000
Balance at the beginning of the year	254	250	1,312	153	1,969
Additions	66	4	67	-	137
Disposals	(1)	(1)	-	-	(2)
Depreciation and amortisation expense	(107)	(43)	(144)	(16)	(310)
Carrying amount at the end of the year	212	210	1,235	137	1,794

	Economic Entity 2014 $'000	Economic Entity 2013 $'000
NOTE 11: INTANGIBLE ASSETS		
Non-Current		
Goodwill at cost (a)	2,970	2,970
Less impairment	(2,970)	(2,970)
	-	-
Website at cost (b)	173	173
Less accumulated amortisation	(148)	(133)
	25	40
	25	40

Reconciliation of written down values:	Goodwill $'000	Website $'000	Total $'000
Opening balance at 1 July 2013	-	40	40
Additions	-	-	-
Impairment	-	-	-
Amortisation expense	-	(15)	(15)
Closing balance at 30 June 2014	-	25	25

	2014 $'000	2013 $'000
NOTE 12: TRADE AND OTHER PAYABLES		
Current		
Trade accounts payable	5,997	7,684
Other accounts payable	2,229	2,299
Derivative financial instruments - forward exchange contracts	32	-
	8,258	9,983
Amounts payable in foreign currencies:		
Trade accounts payable:		
- US Dollars	2,591	1,855
- British Pounds	157	53
- Euro	1,036	2,700
- Swiss Francs	281	195
- New Zealand Dollars	452	600
	4,517	5,403
NOTE 13: OTHER FINANCIAL LIABILITIES		
Current		
Bills payable (a)	3,974	3,814
Lease Liability (b)	33	30
	4,007	3,844
Non Current		
Lease Liability (b)	58	91

	Economic Entity	
	2014	2013
	$'000	$'000

NOTE 13: OTHER FINANCIAL LIABILITIES continued

Details of the economic entity's exposure to interest rate changes on other financial liabilities is outlined in note 24.
The fair value of the financial liabilities approximates their carrying value.

(a) Bills payable

Bills payable are part of a multi-option borrowing facility that includes flexible overdraft and commercial bill components. The economic entity breached covenants in relation to the facility during the year and as such is subject to monthly reporting to its lenders. Subsequent to year end, this facility was replaced with a receivables discounting facility as discussed in note 19.

The bill facility was secured by a charge over the assets of Amber Technology Limited. Guarantees were in place to a limit of $4,175,000 (2013:$4,175,000). The value of assets at balance date is $26,511,000 (2013: $28,878,000).

(b) Lease liability

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

NOTE 14: PROVISIONS

	2014	2013
Current		
Service warranty	323	254
Employee benefits	1,383	1,200
	1,706	1,454
Non Current		
Employee benefits	240	299
	240	299

(a) Service warranty

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

(b) Movements in provisions

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

	Service warranty $'000
Opening balance at 1 July 2013	253
Additional provision recognised	330
Reductions resulting from payments	(260)
Closing balance at 30 June 2014	323

(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:

	2014	2013
Current annual leave obligation expected to be settled after 12 months	158	144
Current long service leave obligation expected to be settled after 12 months	336	379

NOTE 15: SHARE CAPITAL

	Economic Entity		Economic Entity	
	2014 Shares	**2013 Shares**	**2014 $'000**	**2013 $'000**
Ordinary Shares fully paid (no par value)	30,573,181	30,573,181	11,138	11,138

Details	No of shares	$'000
Balance 30 June 2013	30,573,181	11,138
Shares bought back	-	-
Balance 30 June 2014	30,573,181	11,138

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.

NOTE 16: RESERVES

Foreign currency translation reserve (a)	13	(69)
	13	(69)

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

Nature and purpose of reserves

(a) Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve as described in note 2(r). The reserve is recognised in profit and loss when the net investment is disposed of.

(b) Option reserve
The option reserve is used to recognise the fair value of options issued but not exercised.

NOTE 17: CAPITAL & LEASING COMMITMENTS

(a) Operating lease commitments

Payable:		
Not later than 1 year	1,374	1,316
Later than 1 year but not later than 5 years	5,507	5,411
Later than 5 years	5,378	6,777
Minimum lease payments	12,259	13,504

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

(b) The economic entity had no commitments for capital expenditure as at 30 June 2014 (2013: Nil)

	Economic Entity 2014 $'000	Economic Entity 2013 $'000
NOTE 18: CONTINGENT LIABILITIES		
Estimates of the maximum amounts of contingent liabilities that may become payable:		
- Bank guarantees by Amber Technology Limited in respect of various property leases	642	685
	642	685

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

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

On 4 August 2014, the economic entity announced that management has successfully negotiated a new two year finance facility with Bibby Financial Services. The new facility is an invoice discounting solution with approval up to $6M and replaces the Commonwealth Bank of Australia as the primary lenders to the business.

On 16 September 2014 the Board announced that Mr R Glasson (CFO, Company Secretary) had tendered his resignation and would be leaving the economic entity early in the 2015 calendar year. A successor is yet to be appointed 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.

NOTE 20: RELATED PARTY TRANSACTIONS

Key management personnel compensation

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

	Economic Entity 2014 $	Economic Entity 2013 $
Summary		
- Short term employee benefits	1,153,444	1,145,072
- Post employment benefits	146,939	124,359
- Share based payments	-	756
	1,300,383	1,270,187
Transactions with related parties		
The following transactions occurred with related parties:		
- Payment for services from associate	-	63,007
- Payment for on-line marketing consulting services (director-related entity of Thomas Amos and Edwin Goodwin)	36,000	79,200
- Trade payables for on-line marketing consulting services (director-related entity of Thomas Amos and Edwin Goodwin)	-	6,000
	36,000	148,207

NOTE 21: SHARE BASED PAYMENT ARRANGEMENTS

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

During the financial year no options lapsed (2013: 100,000) and no options were forfeited (2013: Nil). There were no options issued or exercised during the financial year.

	Number of Options over Ordinary Shares	
	2014	2013
Employee Share Option Plan		
Held by employees at the beginning of the year	-	100,000
Held by employees at the end of the year	-	-
Exercisable at the end of the year	-	-

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

Date Granted	Exercise Period Start	Exercise Period Finish	Exercise Price	Balance at start of year	Lapsed/ Forfeited during year	Balance at end of year	Exercisable at end of year
2014							
				-	-	-	-
				-	-	-	-
Weighted average exercise price				-	-	-	-
2013							
07/12/04	30/09/07	30/09/12	$1.35	100,000	(100,000)	-	-
				100,000	(100,000)	-	-
Weighted average exercise price				$1.35	$1.35		

The weighted average remaining contractual life of share options outstanding at the end of the period was nil years (2013: nil years).

NOTE 22: SEGMENT REPORTING

(a) Description of segments

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

The economic entity comprises the following operating segments:

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

(b) Segment information

2014	Professional	Lifestyle Entertainment	New Zealand	Eliminations	Economic Entity
	$'000	$'000	$'000	$'000	$'000
Revenue					
- Total segment revenue	20,391	24,191	3,674	-	48,256
- Inter-segment revenue	43	121	49	(213)	-
Revenue from external customers	20,434	24,312	3,723	(213)	48,256
Result					
- Segment EBIT	210	(559)	(2)	-	(351)
- Unallocated / corporate result					(215)
- EBIT					(566)
- Interest revenue					25
- Interest and finance costs					(459)
- Loss before income tax					(1,000)
- Income tax benefit					0
- Loss for the year					(1,000)
Assets					
- Segment Assets	7,698	13,711	1,968	-	23,377
- Unallocated/corporate assets					3,134
- Total assets					26,511
Liabilities					
- Segment Liabilities	3,917	3,709	1,067	-	8,693
- Unallocated/corporate liabilities					5,579
- Total liabilities					14,272
Other					
- Acquisition of non current segment assets	20	31	1	-	52
					52
- Depreciation and amortisation of segment assets	110	166	9	-	285
					285

NOTE 22: SEGMENT REPORTING (continued)

2013	Professional	Lifestyle Entertainment	New Zealand	Eliminations	Economic Entity
	$'000	$'000	$'000	$'000	$'000
Revenue					
- Total segment revenue	28,247	23,278	2,892	-	54,417
- Inter-segment revenue	53	37	75	(165)	-
Revenue from external customers	28,300	23,315	2,967	(165)	54,417
Result					
- Underlying EBIT	1,410	(1,226)	(129)	-	55
- Abnormal Inventory Obsolescence	(1,212)	(1,106)	-	-	(2,318)
- Segment EBIT	198	(2,332)	(129)	-	(2,263)
- Unallocated / corporate result					(553)
- EBIT					(2,816)
- Interest revenue					34
- Net interest and finance costs					(423)
- Profit before income tax					(3,205)
- Income tax expense					993
- Profit for the year					(2,212)
Assets					
- Segment Assets	11,604	11,727	1,857	-	25,188
- Unallocated/corporate assets					3,619
- Total assets					28,807
Liabilities					
- Segment Liabilities	6,479	2,245	1,005	-	9,729
- Unallocated/corporate liabilities					5,871
- Total liabilities					15,600
Other					
- Acquisition of non current segment assets	68	101	3	-	172
					172
- Depreciation and amortisation of segment assets	136	203	11	-	350
					350

NOTE 22: 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	
	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000
Geographical Location						
- Australia	44,582	51,525	1,591	1,818	51	169
- New Zealand	3,674	2,892	9	16	1	3
	48,256	54,417	1,600	1,834	52	172

(i) 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

(i) Accounting Policies

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

Segment assets and liabilities do not include income taxes.

(ii) Intersegment Transfers

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

NOTE 23: CASH FLOW INFORMATION

(i) Cash and cash equivalents

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

	Economic Entity 2014 $'000	Economic Entity 2013 $'000
Cash on hand	3	3
At call deposits with financial institutions	508	2,840
	511	2,843

(ii) Reconciliation of net cash provided by operating activities to loss after income tax

	Economic Entity 2014 $'000	Economic Entity 2013 $'000
(Loss) for the year	(1,000)	(2,212)
Depreciation and amortisation	285	350
Net loss on disposal of plant and equipment	-	1
Foreign exchange gains	(165)	(12)
Non-cash share based payments	-	1
Changes in operating assets and liabilities		
Decrease/(Increase) in trade and other receivables	635	(2,013)
(Increase) in inventories	(787)	(200)
Decrease in tax receivable	-	124
(Decrease)/Increase in payables	(1,509)	5,068
Increase in provisions	181	34
(Increase) in deferred taxes	-	(993)
Net cash (used in)/provided by operating activities	(2,360)	148

(iii) Non Cash Financing and Investing Activities

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

NOTE 24: FINANCIAL RISK MANAGEMENT

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

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

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

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

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

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

Credit Risk

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

Trade and other receivables

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

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

Impairment allowance

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

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

The ageing of trade receivables at the reporting date was:

	Economic Entity 2014 $'000	Economic Entity 2013 $'000
Not past due	4,191	4,977
Past due up to 30 days	2,075	2,280
Past due 31-60 days	601	603
Past due 61 days and over	1,021	381
Total trade receivables not impaired	7,888	8,241
Trade receivables impaired	82	81
Total trade receivables	7,970	8,322

The economic entity does not have other receivables which are past due (2013: Nil).

Liquidity Risk

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

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

	Contractual Cash Flows				
	Less than 3 months $'000	3 to 6 months $'000	6 to 12 months $'000	More than 12 months $'000	Total $'000
2014					
Trade and other payables	6,029	-	-	-	6,029
Commercial Bills	3,974	-	-	-	3,974
Lease Liability	8	8	17	58	91
	10,011	8	17	58	10,094
2013					
Trade and other payables	7,684	-	-	-	7,684
Commercial Bills	3,814	-	-	-	3,814
Lease Liability	5	10	15	91	121
	11,503	10	15	91	11,619

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

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

Market Risk

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

Foreign Currency Risk

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

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

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

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

	Sell Australian dollars		Average exchange rates	
	2014	2013	2014	2013
	$'000	$'000		
Buy US dollars				
Maturity:				
0-3 months	1,893	2,037	0.9245	0.9576
3-6 months	-	-	-	-
Buy Euros				
Maturity:				
0-3 months	-	138	-	0.7225

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

	Weakening of 10%		Strengthening of 10%	
	2014	2013	2014	2013
	$'000	$'000	$'000	$'000
Impact on profit	207	200	(169)	(168)
Impact on equity	207	200	(169)	(168)

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

Interest Rate Risk

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

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

	Note	Weighted average interest rate		Balance	
		2014	**2013**	**2014**	**2013**
		%	**%**	**$'000**	**$'000**
Commercial Bills	13	6.31%	6.12%	3,625	3,814

The following table demonstrates the impact on the profit and equity of the economic entity if the average interest rate on the multi option borrowing facility had either increased or decreased by 1%, which management consider to be reasonably possible over the whole year ending 30 June 2014, with all other variables remaining constant:

	Increase of 1% of average interest rate		Decrease of 1% of average interest rate	
	2014	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**
Impact on profit	(36)	(38)	36	38
Impact on equity	(36)	(38)	36	38

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.

Capital Management

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

Total capital is defined as shareholders' equity. The Board monitors the return on capital, which is defined as net operating income divided by total shareholders' equity. The Board also establishes a dividend payout policy which is targeted as being greater than 50% of earnings, subject to a number of factors, including the capital expenditure requirements and the company's financial and taxation position. Dividend payout for the year ended 30 June 2014 is nil (2013: nil).

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

NOTE 24: FINANCIAL RISK MANAGEMENT (continued)

Fair Value Heirarchy

The following tables detail the economic entity's assets and liabilities, measured or disclosed at fair value, using a three level heirarchy, based on the lowest level of input that is signficant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included withon Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Consolidated - 2014				
Assets				
Forward foreign exchange contracts	-	-	-	-
Liabilities				
Forward foreign exchange contracts	-	32	-	32
Consolidated - 2013				
Assets				
Forward foreign exchange contracts	-	49	-	49
Liabilities				
Forward foreign exchange contracts	-	-	-	-

There were no transfers between levels during the financial year.

The carryng amounts of 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 financial liabilities is estimated by discounting the remaining contractural maturities at the current market interest rate that is available for similar financial liabilities.

Valuation Techniques for fair value measurements categorised within level 2 and level 3

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Level 3 assets and liabilities

There are no assets or liabilities falling within this category.

NOTE 25: EARNINGS PER SHARE

	Economic Entity 2014	Economic Entity 2013
Basic earnings per share (cents)	(3.3)	(7.2)
Weighted average number of ordinary shares (number)	30,573,181	30,573,181
Earnings used to calculate basic earnings per share ($)	(1,000,000)	(2,212,000)
Diluted earnings per share (cents)	(3.3)	(7.2)
Weighted average number of ordinary shares (number)	30,573,181	30,573,181
Earnings used to calculate diluted earnings per share ($)	(1,000,000)	(2,212,000)

	Economic Entity 2014 $	Economic Entity 2013 $
NOTE 26: DIVIDEND FRANKING CREDITS		
Tax rate	30%	30%
Amount of franking credits available for subsequent reporting periods ($'000)	6,146	6,146

NOTE 27: AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the parent and its related practices:

	2014 $	2013 $
Audit services		
BDO East Coast Partnership		
Audit and review of financial reports, and other work under the Corporations Act 2001.	111,599	114,463
Other practices - BDO Auckland (Formerly PKF)		
Audit or review of financial reports of subsidiary	10,036	8,978
Total remuneration for audit services	121,635	123,441
Non-audit services		
BDO East Coast Partnership		
Tax compliance services, including review of company income tax returns	15,000	18,460
Other practices - BDO Auckland (Formerly PKF)		
Tax compliance services, including review of company income tax returns	3,345	2,504
Total remuneration for non-audit services	18,345	18,460

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

NOTE 28: PARENT ENTITY INFORMATION

	Parent Entity 2014 $'000	Parent Entity 2013 $'000
Information relating to Ambertech Limited (parent entity):		
- Current Assets	11,041	11,046
- Total Assets	15,599	15,604
- Current Liabilities	1,462	1,462
- Total Liabilities	1,462	1,462
- Share capital	11,138	11,138
- Share based payments reserve	-	-
- Retained earnings	3,004	2,985
(Loss)/Profit of the parent entity	(5)	19
Total comprehensive income of the parent entity	(5)	19

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which the parent guarantees the debts of the others.

Contingent Liabilites
The parent entity had no contingent liabilities as at 30 June 2014 (2013: Nil).

Capital Commitments

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2014 (2013: Nil)

AMBERTECH LIMITED AND CONTROLLED ENTITIES
ACN 079 080 158
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 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 2014 and of its performance for the year ended on that date.
2. The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. The directors have been given the declarations by the chief executive officer and chief financial officer required by Section 295A.

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

P F Wallace	P A Amos
Director	**Director**

Dated this 26th day of September 2014.
Sydney

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	-	1,000	76	68,398	0.22
1,001	-	5,000	79	281,748	0.92
5,001	-	10,000	37	332,900	1.09
10,001	-	100,000	58	1,985,090	6.49
100,001	and	over	21	27,905,045	91.28
Total			273	30,573,181	100.00

The number of security investors holding less than a marketable parcel of 3,571 securities is 112 and they hold 151,096 securities.

Equity Security Holders

The twenty largest shareholders as at 17 October 2014 were:

Rank	Twenty largest holders	Number of shares	% of total capital
1	Talon A Pty Limited (A K Fund 1)	4,245,667	13.89
2	Appwam Pty Limited	4,153,055	13.58
3	Crowton Pty Ltd (Amos Super Fund)	3,231,681	10.57
4	Howbay Pty Ltd	2,883,556	9.43
5	Wavelink Systems Pty Ltd	2,784,625	9.11
6	Wavelink Systems Pty Ltd (Employee Superannuation Fund)	2,650,000	8.67
7	Wygrin Pty Ltd	1,507,556	4.93
8	Wygrin Pty Ltd (Wygrin Pension Fund)	1,488,270	4.87
9	Crowton Pty Limited	1,082,162	3.54
10	JH Nominees Australia Pty Ltd (Harry Family Super Fund A/C)	993,250	3.25
11	Mr Joseph Grech	413,045	1.35
12	Milton Yannis	404,348	1.32
13	Mr Ralph McCleery	357,599	1.17
14	Mr Joseph Paul Grech & Ms Deborah Lee Grech	333,261	1.09
15	Mr David Scicluna & Mr Anthony Scicluna	259,000	0.85
16	Velkov Funds Management Limited	252,000	0.82
17	Mr Stephen Rodney Hariono	225,070	0.75
18	Mr David Le Cornu & Mrs Betty Le Cornu	220,000	0.72
19	Xanthippus Pty Ltd	155,300	0.51
20	Wallace Capital Pty Ltd	152,600	0.50
		27,795,045	**90.91**

Source: Link Market Services

Ambertech Limited

Shareholder Information

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
Wavelink Systems Pty Ltd	5,484,625	17.94
Crowton Pty Limited	4,313,843	14.11
Accretion Investment Management	4,245,667	13.89
Appwam Pty Limited	4,153,055	13.58
Wygrin Pty Ltd	2,995,826	9.80
Howbay Pty Ltd	2,883,556	9.43

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 17 October 2014.

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 2014 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.

Ambertech Limited

Corporate Directory

Registered Office

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

Directors

Peter F Wallace - Chairman
Peter A Amos - Managing Director
Tom R Amos
Edwin F Goodwin
David R Swift

Company Secretary

Robert J Glasson

Share Registry

Link Market Services
Locked Bag A14
South Sydney NSW 1235

Or

Level 12, 680 George Street
Sydney NSW 2000
T: +61 2 8280 7111 or
T: 1300 554 474

Bankers

Bibby Financial Services
Level 10, 418A Elizabeth Street
Surry Hills NSW 2010

Auditors

BDO East Coast Partnership
Level 11, 1 Margaret Street
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T: + 61 2 9251 4100

ASX Listing

AMO

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