>> Annual Report for the year ended 30 june 2005

Annual Report

>> AMBERTECH LIMITED ACN 079 080 158

Ambertech
LIMITED

>> Mission Statement

>> Mission Statement >> Mission Statement >> Mission Statement

>> Corporate Mission

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

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

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Ambertech LIMITED

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> *"In light of the excellent result for the year, the board declared a final fully franked dividend of 4.0 cents per share for the year ended 30 June 2005, bringing the total fully franked dividend, post listing, to 7.0 cents per share, as foreshadowed in the prospectus."*

>> Message to Shareholders

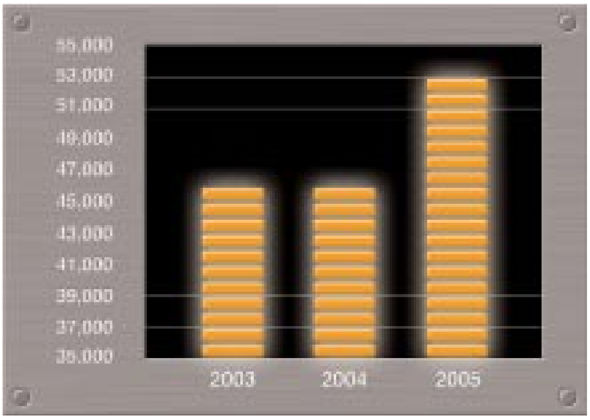
29 September 2005

Dear Shareholder,

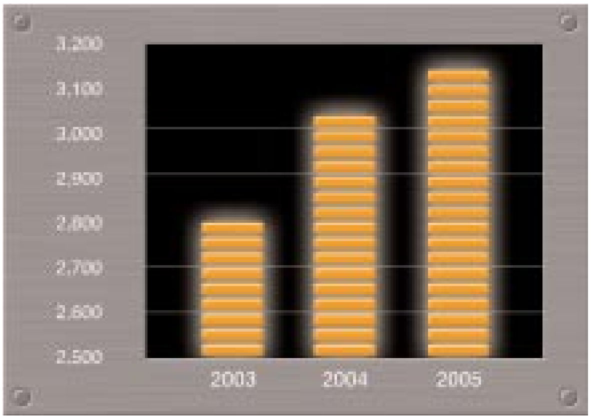
On behalf of the Board and management, we take pleasure in presenting the financial results for the year ended 30 June 2005.

Ambertech Limited has completed the 2005 financial year in line with the forecasts contained in its prospectus. A summary of these results is outlined in the table below.

Financial Highlights



Total Revenue From Ordinary Activities



Net Profit After Tax

	2003 $000	2004 $000	2005 $000
Revenue & Profit			
Total Revenue from Operating Activities	45,691	45,851	53,125
Earnings Before Significant Items, Interest, Taxation & Amortisation (EBSITA)	4,525	4,921	5,262
Earnings Before Interest & Taxation (EBIT)	4,226	4,657	4,949
Net Profit After Tax (NPAT)	2,796	3,025	3,124
Balance Sheet/Other			
Trade Debtors	5,815	6,296	7,618
Inventory	10,514	9,720	12,515
Operating Cash Flow	2,782	3,713	1,111
Capital Expenditure			
Fixed Asset Spend	241	358	326
Ratios			
EBSITA/Sales	9.90%	10.73%	9.90%
EBIT/Sales	9.25%	10.16%	9.32%
Debtors/Sales	12.73%	13.73%	14.34%
Inventory/Sales	23.01%	21.20%	23.56%

>> Message to Shareholders

Revenue and earnings before interest and taxation (EBIT) were ahead of forecasts set out in Ambertech's prospectus of 8 November 2004.

Higher than forecast growth over the last 12 months impacted on the after tax result with borrowing costs up. In addition, the income tax expense was higher than that forecast due to the impact of some non tax deductible expenses.

Net profit after tax increased 3.3% over 2004 to $3.12 million for the year ended 30 June 2005. The increase was achieved on growth in revenues of 15.8% to $53.13 million.

Dividends

In light of the excellent result for the year, the board declared a final fully franked dividend of 4.0 cents per share for the year ended 30 June 2005, bringing the total fully franked dividend, post listing, to 7.0 cents per share, as foreshadowed in the prospectus.

The board expects to pay at least 50% of profits after tax as fully franked dividends in the future.

Outlook

Ambertech operates in two key segments of the broadcast and audio markets which we call the Professional and Lifestyle Entertainment Divisions.

Whilst there is some technical and marketing overlap between the two segments, they have some distinctly individual market drivers.

Professional Divisions

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

The outlook for Ambertech’s Professional divisions is buoyant with capital expenditure cycles known to be planned by our major customers.

These capital investments often involve sizeable projects valued at more than $1 million each but can be in planning for some years in advance. While the exact timing of these projects remains uncertain, our expectations are that a higher level of activity is most likely in the second half of the financial year rather than the period to 31 December 2005.

Lifestyle Entertainment Division

Ambertech distributes a range of mid- to high-end consumer and professional-consumer products through high profile retail chain stores and specialty outlets.

During 2005, much media attention has focused on the decline of consumer sentiment, a situation to which Ambertech has not been entirely immune. The Lifestyle Entertainment segment of our business, for example, experienced some patchy activity during the second half of the year, particularly within the Consumer Business Unit, which supplies home theatre products. By contrast, the Audioworks Business Unit, which provides high-end custom installation products, was largely unaffected.

During the year, we have added a new agency in the Lifestyle Entertainment Division with the introduction of "Nevo" and "One For All" branded products. We also continue to see organic growth in this division.

Most consumer electronics products go through a common pricing pattern. Typically, they are priced high at introduction and then, as volume increases, the price point declines until it reaches a stable level. We have seen a stabilisation in pricing of many of our consumer products during the year.

Our first half results are expected to continue to reflect the pattern of being stronger than those of the second six months.

Financial

Our forecasts for the year ending 30 June 2006 continue to see growth in revenue and profit in line with the medium term goals of the business. We are constantly evaluating potential new agencies and/or acquisitions to assist us with these goals. Ambertech's management remains focused on achieving medium term growth targets of 5%-10% per annum.

Dividends

Dividend Type	Record Date	Payment Date	Cents per share	Franking %
Paid during the year ended 30 June 2005:				
Final dividend	30/6/04	14/12/04	10.0	100%
Provided for and paid during the year ended 30 June 2005:				
Special dividend	2/11/04	14/12/04	7.4	100%
Interim dividend	15/3/05	31/3/05	3.0	100%
Provided for and paid in respect of the year ended 30 June 2005:				
Final dividend	15/9/05	30/9/05	4.0	100%

The total dividend paid to shareholders, post the listing of the Company on the ASX, is 7.0 cents per share.

>> Message to Shareholders

The special dividend provided for and paid during the financial year ended 30 June 2005 was fully franked at a tax rate of 30%. The dividend had a record date of 2 November 2004 and was paid on 14 December 2004. The special dividend formed a part of the restructure of Ambertech Limited prior to listing on the Australian Stock Exchange.

The dividend in respect of the year ended 30 June 2004, paid during the year ended 30 June 2005 was fully franked at a tax rate of 30%. The dividend had a record date of 30 June 2004 and was paid on 14 December 2004.

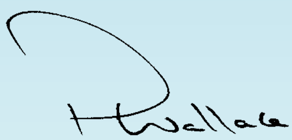
The interim dividend in respect of the financial year ended 30 June 2005 was fully franked at a tax rate of 30%. The dividend had a record date of 15 March 2005 and was paid on 31 March 2005.

The final dividend in respect of the financial year ended 30 June 2005 is fully franked at a tax rate of 30%. It had a record date of 15 September 2005 with payment made on 30 September 2005.

Ambertech team

The Board of Directors would like to thank the management and staff of Ambertech for their contribution during the year. Floating a company is a large exercise and the delivery on the prospectus forecasts is a credit to them.

Finally, the Board of Directors would also like to thank the shareholders for their support during the floating period and we look forward to growing our shared interests in the future.



Peter Wallace Chairman

Peter Amos Managing Director

>> Divisional Goals >> Divisional Goals >> Divisional Goals

>> Divisional Goals

"To promote increased sales, profits and customer loyalty by matching client needs with leading, technologically advanced products in an ethical and transparent environment based on superior service, support and expertise."

>> Ambertech Brands

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

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

Avid AUSTRALIA

Optoma

EVS BROADCAST EQUIPMENT

xantech

Less noise • More sound

Cte broadcast

SONANCE

DIGIDESIGN ICON INTEGRATED CONSOLE

Vinten

Tieline TECHNOLOGY

KEF

BOOTHROYD STUART MERIDIAN

Integra RESEARCH

ONKYO

psb SPEAKERS

NEUTRIK CONNECTING THE WORLD

CANARE The Professional's Choice

MICROWAVE RADIO COMMUNICATIONS

t.c. electronic ULTIMATE SOUND MACHINES

ONE FOR ALL

DPA MICROPHONES

nevo SL New Evolution in Home Control

iMERGE

WEIR CLIFFE

sE se electronics

dynaudio acoustics IF IT'S THERE - YOU'LL KNOW IT

Solid State Logic

TUBE -TECH

trilogy

OTARI

>> Avid Australia Business Unit

Nigel Streatfield - Avid Australia Business Unit Manager

Avid AUSTRALIA

Avid Technology Inc, headquartered in the United States, manufactures a range of computer based picture and sound tools used in the film, video and broadcast industries. Avid Australia imports, sells and services products and systems that include editing, two dimensional graphics and effects, three dimensional animation, network solutions and information storage.

Avid Australia Business Unit

From a financial perspective, the 2004 / 2005 financial year has been very rewarding. Many of our main project opportunities have been realised, with shared storage solutions again proving to be the competitive advantage when competition is encountered. Continued developments in shared storage technology with improvements in the Editing, High-End Finishing and Audio Sound Design systems has cemented Avid as the broadcast and film systems leader. Much competition has been encountered in the low end of the market; however our competitive advantages in terms of reliability and pedigree continue to prove compelling reasons for customers to choose Avid for professional projects.

Avid's outlook is bright, with major project specifications in the broadcast area now being identified as technologically achievable, providing opportunities that would not have previously been so. Our sales and engineering teams are well positioned to capitalise on these and other emerging technological developments.

DIGIDESIGN | ICON
INTEGRATED CONSOLE

>> Professional Business Unit

John Fitzpatrick - Professional Business Unit Manager

Professional Business Unit

The Professional Business Unit offers dealers and clients nationally, consumable products (such as cables and connectors), educational products (such as language laboratory teaching systems) and capital equipment (such as professional studio and broadcast loud-speakers and accessories, audio consoles and testing equipment).

New distribution agreements for DPA Microphones, Solid State Logic (SSL) audio mixing consoles and SE studio condenser microphones have boosted the Professional Business Unit's product portfolio during 2005. These industry-leading brands perfectly complement the existing divisional infrastructure and staff expertise, providing new sales opportunities without the need for major additional facilities or overheads.

Our business has been built on strong customer relationships as well as developing a diverse Product Portfolio from the industry's most innovative and quality-driven manufacturers. Development towards becoming a 'one-stop-shop' for the key Broadcast, Post Production and Recording markets has been a goal of the Professional Business Unit over recent years and the addition of these new product brands has been a major success in this process.

Growth across our entire product range has been steady and reflects the generally buoyant nature of the market. The breadth and depth of our overall product range is crucial to our continued sales success and to that end, the addition of these high-profile brand names has made a great difference for us as well as our customers.

>> Amber New Zealand Business Unit

Ralph McCleery - Managing Director, Amber NZ

Amber TECHNOLOGY

Amber New Zealand Business Unit

Amber Technology (NZ) Limited, a wholly owned subsidiary of Ambertech Limited, distributes a product range similar to the Australian operation.

Our Auckland and Wellington based New Zealand operation, which focuses mainly in the Professional areas of our business, has enjoyed consistent success in 2005, with the completion of some substantial projects for TVNZ, TV3 as well as for a major film facility in Wellington. These projects were spearheaded by our head office in Auckland and involved the supply, installation and commissioning of Avid networked editing systems for use in the delivery of broadcast television news services and post-production activities.

The New Zealand market in general continues to be a buoyant one for us and we have good reason for an optimistic business outlook in the coming year. We anticipate our prospects will be enhanced by the introduction of the Universal Electronics "NEVO" product to the market. This, together with our planned increase in sales and technical personnel, will allow the business to capitalise on opportunities across a broad range of areas.

Avid AUSTRALIA

Tieline TECHNOLOGY

DPA MICROPHONES

dynaudioacoustic

OTARI

t.c. electronic ULTIMATE SOUND MACHINES

EVS BROADCAST EQUIPMENT

nevo SL New Evolution in Home Control

trilogy

>> Broadcast Business Unit

Ross Caston - Broadcast Business Unit Manager

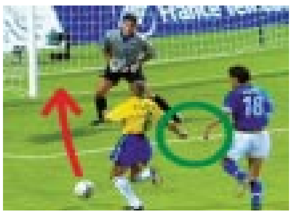
Broadcast Business Unit

The Broadcast Business Unit provides systems design and integration advice to customers in the broadcasting industry, which are involved in the transmission of audio and visual productions.

The benefits of balancing the risk of new technologies with established product offerings were perfectly illustrated in the Broadcast Business Unit during the last financial year. Significant technical and delivery problems caused the cancellation of one of our key supply contracts resulting in a downturn in projected revenue from DVB-T (Digital broadcasting) transmitter sales. Fortunately, this downturn was at least partially offset by stronger than anticipated sales in the fields of Microwave Radio and Satellite System supply to major broadcasters, as well as continuing business in video servers for sport production and High Definition TV delivery. Costs were closely and dynamically controlled, during this period, ensuring that overall profitability was maximised.

Ambertech's reputation for excellence in support, business relationships and expertise in our fields has been well consolidated through the year, and the division is poised to address the market in the coming months. Some under performing products have been discontinued from our range, leaving room for the addition of more relevant new products, and allowing full focus to be applied to our most successful lines.

The coming year will see Ambertech's Broadcast Business Unit diversifying both in terms of its product offerings and the market sectors it services. Good progress has already been made on introducing our capabilities to significant markets outside our traditional Broadcaster base. We have some exciting new products to offer in the key fields of High Definition TV Signal Transport, IP-based video systems and low bit-rate encoding systems. Technologies and manufacturers that we have been nurturing over the years are now starting to mature and we expect to see strong sales of both these and our existing product lines.



MICROWAVE RADIO COMMUNICATIONS

EVS BROADCAST EQUIPMENT

Cte broadcast

trilogy

Lifestyle Entertainment Division

>> Consumer Business Unit

Brian Lee - Consumer Business Unit Manager

Consumer Business Unit

The Consumer Business Unit distributes home theatre and hi-fi products.

Our Consumer business is predominately based on a business-to-business channel management structure, with product distributed through a broad range of retail outlets. The sales of Onkyo Electronics have achieved 'Distributor of the Year' status for Ambertech in the Asia Pacific region. Sales growth in custom installation home theatre, lead by the Integra brand (from Onkyo Corporation), and Optoma Projection, has strengthened our already effective channel for products that are statements of quality.

Continuing to complement our channel by adding quality, technologically advanced products to complete our retailers product ranges remains our strength. Opportunities for future growth lie in our savvy knowledge of changing customer desires, demonstrated by the development of our suite of products to meet and exceed our end-users' needs.

Lifestyle Entertainment Division

>> Audioworks Business Unit

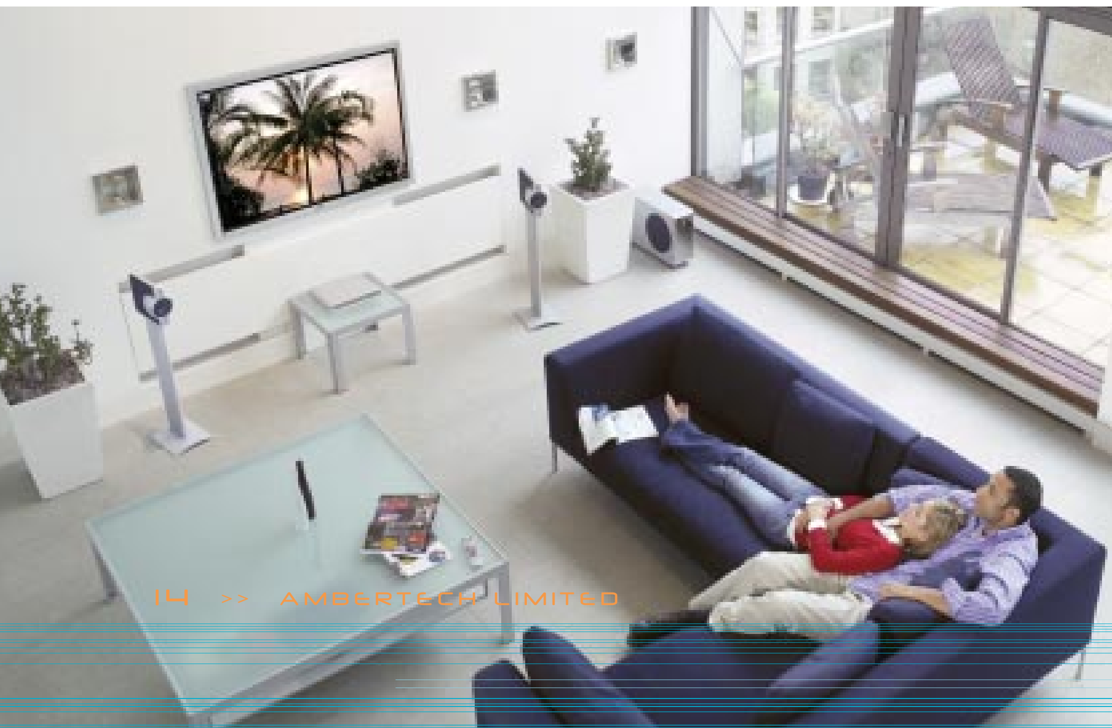
David Small - Audioworks Business Unit Manager

Audioworks Business Unit

The Audioworks Business Unit distributes a range of products covering areas such as custom controllers, zonal amplifiers, in-wall loudspeakers, radio frequency distribution and control systems. This range of products is sold through a selected dealer network in all Australian capital cities and regional areas.

Specialising in entertainment products for custom installation in homes, offices and marine, the Audioworks Business Unit enjoyed a continuation of its growth trajectory, in both sales and profits, which began in 2001 when Audioworks became an Ambertech business unit. Combining excellent customer service, strong technical back-up and training with world renowned products in this field gives the Audioworks Business Unit a robust presence in this growth area.

Solutions driven, complementary product ranges enable Audioworks to provide architects and designers, custom installers and end-users a broad scope for designing and integrating high performance, reliable entertainment systems that exceeds a customer's wants and needs. Each of the manufacturers Audioworks represents is expanding and augmenting their product lines to meet developing market trends and new technologies, including IP addressable entertainment products and hard disc storage systems. An expansion of products designed specifically for marine applications, such as yachts, has seen growth in this area during 2004/2005.



>> Directors' Report

>> Annual Report for the year ended 30 june 2005

>> Directors' Report

The directors present their report together with the financial report of Ambertech Limited ("the Company") and of the consolidated entity, being the Company and its controlled enitites, for the year ended 30 June 2005 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are listed below. All directors were in office since the start of the year unless otherwise stated.

Peter Francis Wallace

Chairman - Non-Executive Director
Aged 45

Member of the Audit Committee and Chairman of the Remuneration Committee.

Peter Wallace is the founder and Managing Director of Endeavour Capital, an independent corporate advisory firm. Prior to establishing Endeavour Capital in 1998, he was an Investment Director with venture capitalist Hambro-Grantham. Mr Wallace has 15 years experience in venture capital and has been a non-executive director of over 20 groups of companies. He is currently Chairman of Magney Mortgages Limited and a non-executive director of ASX listed, Ideas International Limited.

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

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

Peter Andrew Amos

Managing Director
Aged 48

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, 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 Group, until it was sold in the mid 1990s.

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

Thomas Robert Amos

Non-Executive Director
Aged 54

Tom Amos founded telecommunications consultancy Amos Aked Pty Ltd in the early 1980s. His career in telecommunications and media spans almost 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 Wavelink Systems Pty Limited, Amos Aked Swift (NZ) Limited and FlowCom Limited.

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

>> Directors' Report

Edwin Francis Goodwin
Non-Executive Director
Aged 57
Chairman of the Audit Committee

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

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

Niall Cairns
Non-Executive Director
Aged 41

Niall Cairns is co-founder (1993) and Managing Director of Nanyang Ventures Pty Limited, a Sydney based Venture Capital Manager. Mr Cairns holds a Bachelor of Economics degree from Sydney University and is a Member of the Institute of Chartered Accountants in Australia and a fellow of the Australian Institute of Company Directors.

Since 1984 Mr Cairns has invested in and advised unlisted and listed companies in Australia and the UK on growth strategies, capital raisings, acquisitions, divestments and corporate finance. Since 1990 Niall has focused on venture capital in information technology, health care and specialised manufacturing and distribution; and listed investment.

Mr Cairns is and has been a director of a number of Nanyang investees (including Gale Pacific Limited, Ruthinium Group Pty Limited and SigNav Pty Limited), whilst currently being Chairman of Nanyang investee Sigtec Pty Limited and private investment company Seven Oaks Management Pty Limited. Mr Cairns has been a director of Ambertech's Group companies since May 2001.

David Rostil Swift
Non-Executive Director
Aged 58

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, is currently the Managing Director and founder of AAS Consulting Pty Limited, an independent telecommunications management and technology consulting practice operating in the Australasian Pacific region.

Mr Swift is also a Director and the Vice Chairman of the Australian Telecommunications Users Group Limited (ATUG). 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.

Nitin Singhi
Non-Executive Director
Resigned 5/11/04

Nitin Singhi BEc. LLM. is an Investment Director at Colonial First State Private Equity Limited. Prior to this he spent 10 years as a corporate lawyer in leading law firms in Sydney and London conducting mergers and acquisitions and corporate advisory work. He has served and continues to act as a director of a number of private companies. Mr Singhi was appointed a director in April 2003 and resigned as a director of Ambertech Limited on 5 November 2004.

>> Directors' Report


Robert Glasson

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 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.

Principal Activities

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

No change in the nature of these activities occurred during the financial year.

Review of Operations

The consolidated profit of the economic entity after providing for income tax for the financial year was up by 3.3% to $3,124,000 (2004: $3,024,000), on a revenue increase of 15.8% to $53,125,000 (2004: $45,851,000). Further information on the operations is included in the Chairman's and Managing Director's Report section of the Annual Report.

Dividends

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

Dividend Type	Record Date	Payment Date	Cents per share	Franking %	Tax rate
Relating to the previous year, paid during the year ended 30 June 2005:					
Final dividend	30/6/04	14/12/04	10.0	100%	30%
Declared and paid during the year ended 30 June 2005:					
Special dividend	2/11/04	14/12/04	7.4	100%	30%
Interim dividend	15/3/05	31/3/05	3.0	100%	30%
Declared after year end in respect of the year ended 30 June 2005:					
Final dividend	15/9/05	30/9/05	4.0	100%	30%

Directors' Meetings

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

	Board Meetings		Audit Committee Meetings		Nomination and Remuneration Committee	
Director	Attended	Held	Attended	Held	Attended	Held
P Wallace	11	11	3	3	2	2
P Amos	11	11				
T Amos	11	11				
E Goodwin	10	11	3	3		
D Swift	9	11			2	2
N Cairns	11	11				
N Singhi	4	5				

State of Affairs

The following significant changes in the state of affairs of the consolidated entity occurred during the financial year:

On 26 November 2004 the capital structure of the parent entity was restructured in preparation for the float of the Company on the ASX. The Company bought back 1,500,000 ordinary shares on issue, and 11,930,729 ordinary shares were issued as part of the restructure.

On 7 December 2004 the Company issued 5,300,000 ordinary shares pursuant to a prospectus dated 8 November 2004. The proceeds for this issue was $5,300,000.

On 7 December 2004 the Company issued 63,000 ordinary shares pursuant to its employee share purchase plan for nil consideration

Events Subsequent to Reporting Date

On 2 September 2005, the Company announced an on market buy back of up to 1,543,150 ordinary shares on issue. The buy back is a part of the Company's capital management and designed to improve shareholder returns. At the date of this report no shares had been bought back by the Company.

Likely future developments and expected results

The outlook for the Professional Divisions is buoyant, with a capital expenditure cycle planned by our major customers. Whilst the exact timing of these capital projects during the year remains uncertain, our expectations are that the second half of the financial year will be busier than the period to 31 December 2005.

We have added a new agency in the Lifestyle Entertainment Division with the introduction of “Nevo” and “One For All” branded products. We also continue to see organic growth in these divisions of our business, and the level of price deflation in consumer products has stabilised during the year. Our first half results for the Lifestyle Entertainment Division are expected to continue to reflect the pattern of being stronger than those of the second six months.

Our overall forecast for the year ending 30 June 2006 continue to see growth in revenue and profit in line with the medium term goals of the business. We are constantly evaluating potential new agencies and/or acquisitions to assist us with these goals. Ambertech's management remains focused on achieving medium term growth targets of 5%-10% per annum.

Remuneration Report

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

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

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

The managing director and chief financial officer receive an incentive element of their salary based on the achievement of the Company's profit targets. These are capped at a fixed rate rather than as a percentage of total remuneration. Net profit was chosen as a determination for the payment of bonuses as it has a direct correlation to shareholder value and successful operational business performance.

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

Specified Directors

P F Wallace Non-Executive Chairman	**P A Amos** Managing Director	**T R Amos** Non-Executive Director
E F Goodwin Non-Executive Director	**D R Swift** Non-Executive Director	**N Cairns** Non-Executive Director
N Singhi (resigned 05/11/04) Non-Executive Director		

Specified Executives

Robert Glasson Chief Financial Officer (appointed as CFO 01/04/05)	**Heather Garland** Chief Financial Officer (resigned as CFO 01/04/05)	**Brian Lee** General Manager Lifestyle Entertainment
Nigel Streatfield General Manager Avid	**John Fitzpatrick** Divisional Manager Professional	**David Small** Divisional Manager Audioworks
Ross Caston Divisional Manager Broadcast	**Ralph McCleery** Director Amber Technology (NZ) Limited	

Remuneration of directors

	Salary $	Primary Benefits Commissions $	Bonus $	Post Employment Benefits Superannuation $	Equity Compensation Options $	Total $	% Performance Related	% Relating to Options
P A Amos	309,297	-	62,500	26,955	5,504	404,256	15.5%	1.4%
P F Wallace	45,000	-	-	-	5,504	50,504	0.0%	10.9%
T R Amos	15,000	-	-	-	-	15,000	0.0%	0.0%
E F Goodwin	15,000	-	-	-	-	15,000	0.0%	0.0%
D R Swift	15,000	-	-	-	-	15,000	0.0%	0.0%
N Cairns	15,000	-	-	-	-	15,000	0.0%	0.0%
N Singhi (resigned 05/11/04)	-	-	-	-	-	-	0.0%	0.0%
	414,297	**-**	**62,500**	**26,955**	**11,008**	**514,760**		

Remuneration of executives

	Salary $	Primary Benefits Commissions $	Bonus $	Post Employment Benefits Superannuation $	Equity Compensation Options $	Total $	% Performance Related	% Relating to Options
H Garland	165,142	-	17,500	13,063	2,408	198,113	8.8%	1.2%
R Glasson	111,453	-	3,488	10,030	914	125,885	2.8%	0.7%
B Lee	114,107	36,845	7,500	7,740	914	167,106	26.5%	0.5%
N Streatfield	178,908	19,969	10,500	17,629	914	227,920	13.4%	0.4%
J Fitzpatrick	105,867	3,000	6,750	10,810	914	127,341	7.7%	0.7%
D Small	100,115	45,270	7,500	13,085	914	166,884	31.6%	0.5%
R Caston	120,000	6,188	3,994	11,357	914	142,453	7.1%	0.6%
R McCleery	126,667	-	20,000	-	914	147,581	13.6%	0.6%
	1,022,259	**111,272**	**77,232**	**83,714**	**8,806**	**1,303,283**		

Bonuses

Bonuses are paid post year end for the period ended 30 June of each financial year.

Options

Options over ordinary shares were granted by the Company during or since the end of the financial year to the following persons as part of their remuneration:

Directors	Date Granted	Exercise Period Start	Exercise Finish	Price	P Wallace	P Amos
	7/12/04	7/12/04	7/12/09	1.20	100,000	100,000
	7/12/04	30/9/05	30/9/10	1.20	-	100,000
	7/12/04	30/9/06	30/9/11	1.35	-	100,000
	7/12/04	30/9/07	30/9/12	1.35	-	100,000
Unissued shares under option plan					100,000	400,000

Specified Executives

Date Granted	Exercise Period Start	Exercise Period Finish	Exercise Price	H Garland	R Glasson	B Lee	N Streatfield	J Fitzpatrick	D Small	R Caston	R McCleery
7/12/04	7/12/04	7/12/09	1.20	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000
7/12/04	31/12/04	31/12/09	1.20	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/04	31/3/05	31/3/10	1.20	100,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/04	30/6/05	30/6/10	1.20	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/04	30/9/05	30/9/10	1.20	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/04	31/12/05	31/12/10	1.20	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/04	31/3/06	31/3/11	1.20	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/04	30/6/06	30/6/11	1.20	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
7/12/04	30/9/06	30/9/11	1.20	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Unissued shares under option plan				100,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000

There have been no shares issued during or since the end of the financial year as a result of exercise of options. No options have lapsed during or since the end of the financial year. In relation to bonus issues, each outstanding option confers on the option holder the right to receive, on exercise of those outstanding options, not only one share for each of the outstanding options exercised, but also the additional shares the option holder would have received had the option holder participated in that bonus issue as a holder of ordinary shares.

Indemnification of Officers

The Company has obtained insurance in respect of all directors and senior executives against all liabilities to other persons that may arise from their positions as directors and executives, except where the liability arises out of conduct involving a lack of good faith. A premium of $28,636 (2004 $19,502) has been paid for this insurance.

Interests of Directors

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

Director	Ordinary Shares
P Wallace	90,000
P Amos	4,275,343
T Amos	5,434,625
E Goodwin	2,883,556
D Swift	2,883,556
N Cairns	2,123,201

The aggregate number of shares disposed by directors and their related entities during the financial year was:

Prior to listing on the ASX:

Director	Shares
N Cairns	1,500,000
T Amos	600,000
P Amos	500,000
E Goodwin	300,000
D Swift	300,000

Subsequent to listing on the ASX:

N Cairns	1,000,000

Audit Independence and Non-Audit Services

	2005 $000	2004 $000
Amounts paid to the parent company auditors for non-audit services	111	46
Amounts paid to other auditors of subsidiaries for non-audit services	9	8

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

It is the economic entity's policy to employ PKF for assignments additional to their annual audit duties, when PKF's expertise and experience with the economic entity are important. During the year these assignments comprised due diligence prior to the IPO, and tax compliance assignments. The Board of Directors is satisfied that the auditors' independence is not compromised as a result of providing these services.

The Auditors Independence Declaration is attached to the Financial Report of the Economic Entity.

Environmental Regulations

The Company is not subject to any significant environmental regulation in respect of its activities.

Rounding of amounts

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

Signed in accordance with a resolution of directors.

Director:

P F Wallace

P A Amos

Dated this 29th day of September 2005.

>> CORPORATE GOVERNANCE

>> Annual Report for the year ended 30 june 2005

Corporate Governance Statement

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

The Board

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

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

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

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

Board Committees

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

Audit and Risk Management Committee

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

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

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

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

Nomination and Remuneration Committee

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

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

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

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

Corporate Reporting

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

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

Securities Trading

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

External Audit

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

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

>> Financial Position

>> Annual Report for the year ended 30 june 2005

"Ambertech's management remains focused on achieving medium term growth targets of 5%-10% per annum."

>> STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

		Economic Entity		Parent Entity	
		2005	2004	2005	2004
	Note	$000	$000	$000	$000
Revenues from ordinary activities	2	53,125	45,851	3,015	2,751
Cost of sales		(34,952)	(29,715)	-	-
Employee benefits expense		(6,942)	(6,166)	-	-
Depreciation and amortisation expenses		(469)	(440)	-	-
Borrowing expenses		(325)	(232)	(1)	-
Other expenses from ordinary activities		(5,749)	(4,837)	(165)	2
Profit from ordinary activities before income tax expense	3	4,688	4,461	2,849	2,753
Income tax expense relating to ordinary activities	4	(1,564)	(1,437)	(34)	6
Net profit from ordinary activities after related income tax expense	21	3,124	3,024	2,815	2,759
Net exchange difference arising on translation of financial reports of self sustaining foreign operations		25	38	-	-
Total changes in equity other than those resulting from transactions with owners as owners		**3,149**	**3,062**	**2,815**	**2,759**
Basic EPS	32	10.7			
Diluted EPS	32	10.7			

The accompanying notes form part of these financial statements.

>> STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2005

		Economic Entity		Parent Entity	
		2005	2004	2005	2004
	Note	$000	$000	$000	$000
CURRENT ASSETS					
Cash assets	6	2,930	1,314	17	53
Receivables	7	7,819	6,526	7,822	6,592
Inventories	8	12,515	9,720	-	-
Other assets	9	257	173	-	-
TOTAL CURRENT ASSETS		**23,521**	**17,733**	**7,839**	**6,645**
NON-CURRENT ASSETS					
Other financial assets	10	-	-	4,557	4,557
Plant and equipment	12	988	979	-	-
Deferred tax assets	13	478	427	416	386
Intangible assets	14	2,414	2,562	-	-
Other assets	9	19	29	-	-
TOTAL NON-CURRENT ASSETS		**3,899**	**3,997**	**4,973**	**4,943**
TOTAL ASSETS		**27,420**	**21,730**	**12,812**	**11,588**
CURRENT LIABILITIES					
Payables	15	5,618	3,703	-	218
Interest bearing liabilities	16	3,490	1,702	-	-
Current tax liabilities	17	289	443	212	443
Provisions	18	715	2,129	-	1,500
TOTAL CURRENT LIABILITIES		**10,112**	**7,977**	**212**	**2,161**
NON-CURRENT LIABILITIES					
Interest bearing liabilities	16	70	47	-	-
Deferred tax liabilities	17	10	11	10	11
Provisions	18	489	464	-	-
TOTAL NON-CURRENT LIABILITIES		**569**	**522**	**10**	**11**
TOTAL LIABILITIES		**10,681**	**8,499**	**222**	**2,172**
NET ASSETS		**16,739**	**13,231**	**12,590**	**9,416**
EQUITY					
Contributed equity	19	11,202	7,917	11,202	7,917
Reserves	20	103	78	-	-
Retained profit	21	5,434	5,236	1,388	1,499
TOTAL EQUITY		**16,739**	**13,231**	**12,590**	**9,416**

The accompanying notes form part of these financial statements.

>> STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

	Note	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers		56,098	49,569	-	-
Payments to suppliers and employees		(49,370)	(40,975)	(166)	3
Interest received		64	36	15	1
Interest and other costs of finance paid		(239)	(229)	-	-
Income taxes paid		(1,770)	(1,223)	(1,579)	25
Goods and services tax remitted		(3,672)	(3,465)	-	-
Net cash provided by/(used in) operating activities	**30b**	**1,111**	**3,713**	**(1,730)**	**29**
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sales of property, plant and equipment		152	-	-	-
Payments for purchase of property, plant and equipment		(326)	(358)	-	-
Loans to related parties					
- proceeds from repayments		-	-	2,835	2,938
Net cash provided by/(used in) investing activities		**(174)**	**(358)**	**2,835**	**2,938**
CASH FLOW FROM FINANCING ACTIVITIES					
Dividends paid to shareholders		(4,426)	(1,400)	(4,426)	(1,400)
Proceeds from borrowings		3,350	-	-	-
Proceeds of share issue		5,300	-	5,300	-
Costs of share issue		(515)	-	(515)	-
Share buy back payments		(1,500)	(1,554)	(1,500)	(1,554)
Repayment of borrowings		(1,546)	(16)	-	-
Net cash provided by/(used in) financing activities		**663**	**(2,970)**	**(1,141)**	**(2,954)**
Net increase/(decrease) in cash held		1,600	385	(36)	13
Cash at beginning of year		1,314	911	53	40
Effect of exchange rate changes on the balance of cash held in foreign currencies at the beginning of the financial year.		16	18	-	-
Cash at end of year	**30a**	**2,930**	**1,314**	**17**	**53**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Ambertech Limited as an individual parent entity and Ambertech Limited and controlled entities as an economic entity. Ambertech Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Principles of Consolidation

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 11.

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

b. Income Tax

Income tax has been brought to account using a method of tax effect accounting whereby income tax expense for the period is calculated on the accounting profit after adjusting for items which, as a result of their treatment under income tax legislation, create permanent differences between that profit and the taxable income.

The tax effect of timing differences which arises from the recognition in the accounts of items of revenue and expenses in periods different from those in which they are assessable or allowable for income tax purposes, are represented in the balance sheet as “future income tax benefits” or “provision for deferred income tax”, as the case may be at current tax rates.

A future income tax benefit is only carried forward as an asset where realisation of the benefit can be regarded as being assured beyond reasonable doubt.

Ambertech Limited is head entity in a tax consolidated group. The tax consolidation legislation has been applied in respect of the year ended 30 June 2005.

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.

c. Inventories

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

d. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised leased assets, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Asset	Depreciation Rate
Plant & equipment	3-8 years
Leased plant & equipment	Term of the lease

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entities within the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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 received under operating leases are brought to account in the financial year in which they are received.

f. Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

g. Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net tangible assets at date of acquisition. Both purchased goodwill and goodwill on consolidation are amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable, are written off.

h. Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

The assets and liabilities of overseas controlled entities, which are self-sustaining, are translated at year-end rates and operating results are translated at rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

Costs or gains arising at the time of entering hedge transactions for the purchase of goods, and exchange differences that occur up to the date of purchase are deferred and included in the measurement of the purchase.

i. Employee Entitlements

Provision is made for the economic entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred.

j. Cash

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

k. Revenue

Revenue from the sale of goods is recognised when the control over the future economic benefits of the goods has been passed to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

m. Provision for Warranty

Provision is made in respect of the economic entity's estimated liability on all products and services under warranty at balance date. The provision is based on the economic entity's history of warranty claims.

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$000	$000	$000	$000
NOTE 2: REVENUE FROM ORDINARY ACTIVITIES				
Operating activities:				
- Sale of goods	52,916	45,815	-	-
- Interest received - other	64	36	15	1
- Dividends received	-	-	3,000	2,750
	52,980	**45,851**	**3,015**	**2,751**
Non operating activities:				
- Proceeds on disposal of plant and equipment	145	-	-	-
	145	-	-	-
Total revenue from ordinary activities	**53,125**	**45,851**	**3,015**	**2,751**
a. Dividends from				
- Wholly owned subsidiaries	-	-	3,000	2,750
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES				
Profit from ordinary activities before income tax expense has been determined after :				
a. Expenses				
Cost of sales	34,952	29,715	-	-
Borrowing costs - other	325	232	-	-
Depreciation of non-current assets:				
- plant and equipment	297	254	-	-
- leased plant and equipment	14	12	-	-
Total depreciation	311	266	-	-
Amortisation of non-current assets:				
- goodwill	148	148	-	-
- formation costs	10	10	-	-
- leasehold improvements	-	15	-	-
	158	173	-	-
Bad and doubtful debts - other	64	(12)	-	-
Write down of inventories to net realisable value	107	67	-	-
Auditors remuneration				
- audit or review	65	58	-	-
- other services	111	46	-	-
	176	104	-	-
Auditors remuneration - other auditors of subsidiaries				
- other services	9	8	-	-

Audit fees for the economic entity for the year ended 30 June 2005 were paid by Amber Technology Limited.

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$000	$000	$000	$000
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES (continued)				
Rental expense on operating leases:				
- minimum lease payments	591	309	-	-
Foreign currency translation losses	-	115	-	-
Significant items:				
b. Revenues and Net Gains				
Foreign currency translation gains	60	-	-	-

NOTE 4: INCOME TAX EXPENSE

The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:

	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
Prima facie tax payable on operating profit before income tax at 30% (2004:30%)	1,406	1,339	855	826
Add tax effect of:				
- Non-deductible entertainment	16	18	-	-
- Amortisation of non-current assets	47	47	-	-
- Other non-deductible items	95	12	-	-
- Under provision for income tax in prior year	0	37	-	-
	1,564	1,453	855	826
Less tax effect of:				
- Rebateable fully franked dividends	-	-	821	791
- Deferred tax asset not previously brought to account	-	16	-	16
- Over provision for income tax in prior year	-	-	-	25
Income tax expense attributable to profit from ordinary activities	1,564	1,437	34	(6)

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$000	$000	$000	$000
NOTE 5: DIVIDENDS PAID				
Fully franked special dividend of 7.41 cents per share franked at tax rate of 30%.	2,000	-	2,000	-
Fully franked interim dividend of 3.00 (2004: Nil) cents per share franked at tax rate of 30% (2004: 30%)	926	-	926	-
Fully franked dividend of Nil (2004: 9.95) cents per share franked at tax rate of 30% (2004: 30%)	-	1,500	-	1,500
	2,926	1,500	2,926	1,500
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years	6,139	5,005	6,139	3,311
NOTE 6: CASH ASSETS				
Cash on hand	3	3	-	-
Cash at bank	2,721	1,111	17	53
Deposits at call	206	200	-	-
	2,930	1,314	17	53
NOTE 7: RECEIVABLES				
CURRENT				
Trade debtors	7,618	6,296	-	-
Provision for doubtful debts	(60)	(16)	-	-
	7,558	6,280	-	-
Other debtors	261	246	-	-
Loans receivable from:				
- Wholly owned subsidiaries	-	-	7,822	6,592
	7,819	6,526	7,822	6,592

	Note	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
NOTE 8: INVENTORIES					
CURRENT					
Finished goods		11,701	9,149	-	-
Stock in transit		814	571	-	-
		12,515	9,720	-	-
NOTE 9: OTHER ASSETS					
CURRENT					
Prepayments		257	173	-	-
NON CURRENT					
Formation costs		80	80	-	-
Less accumulated amortisation		(61)	(51)	-	-
		19	29	-	-
NOTE 10: OTHER FINANCIAL ASSETS					
Shares in controlled entities, at cost	11	-	-	4,557	4,557
		-	-	4,557	4,557

NOTE 11: CONTROLLED ENTITIES

Entity	**Country of Incorporation**	**Percentage Owned 2005**	**Percentage Owned 2004**
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%

	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
NOTE 12: PROPERTY PLANT AND EQUIPMENT				
Plant and equipment at cost	1,504	1,411	-	-
Less accumulated depreciation	(1,081)	(937)	-	-
	423	474	-	-
Leasehold improvements at cost	406	345	-	-
Less accumulated depreciation	(117)	(55)	-	-
	289	290	-	-
Furniture and fittings at cost	305	264	-	-
Less accumulated depreciation	(157)	(123)	-	-
	148	141	-	-
Capitalised leased plant and equipment	146	78	-	-
Less accumulated depreciation	(18)	(4)	-	-
	128	74	-	-
Total property plant and equipment	988	979	-	-

Movement in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant & Equipment $000	Leasehold Improvements $000	Furniture & Fittings $000	Leased Plant & Equipment $000	Total $000
Economic Entity					
Balance at the beginning of the year	474	290	141	74	979
Additions	174	61	40	68	343
Disposals	(24)	-	-	-	(24)
Depreciation expense	(201)	(62)	(34)	(14)	(311)
Effect of change in foreign currency	0	-	1	-	1
Carrying amount at the end of the year	423	289	148	128	988

	Economic Entity 2005 $000	**Economic Entity 2004 $000**	**Parent Entity 2005 $000**	**Parent Entity 2004 $000**
NOTE 13: DEFERRED TAX ASSETS				
Future income tax benefit	478	427	416	386

The future income tax benefit does not include any amount relating to tax losses.

NOTE 14: INTANGIBLE ASSETS				
Goodwill at cost	2,970	2,970	-	-
Less accumulated amortisation	(556)	(408)	-	-
	2,414	2,562	-	-

	Note	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
NOTE 15: PAYABLES					
CURRENT					
Unsecured liabilities:					
Trade creditors		3,776	2,074	-	-
Sundry creditors		1,488	1,397	-	-
GST Payable		354	232	-	-
Loans payable to:					
- controlled entity		-	-	-	218
		5,618	3,703	-	218
NOTE 16: INTEREST BEARING LIABILITIES					
CURRENT					
Commercial Bill Facility (a)		3,350	-	-	-
Lease liability (b)	22	49	27	-	-
Other (c)		91	310	-	-
Debtors subject to factoring		-	1,365	-	-
		3,490	1,702	-	-
NON-CURRENT					
Lease liability (b)	22	70	47	-	-

a. The commercial bill facility is secured by a charge over the assets of Amber Technology Limited. Guarantees are in place to a limit of $5 million. The value of assets at balance date is $20,455,000.

b. Lease liabilities are secured by the assets financed.

c. The inventory financing agreement is secured by a floating charge over the assets of Alphan Pty Limited. The value of the assets at balance date is $6,475,000.

	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
NOTE 17: TAX LIABILITIES				
CURRENT				
Income tax	289	443	212	443
NON-CURRENT				
Provision for deferred income tax	10	11	10	11

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$000	$000	$000	$000
NOTE 18: PROVISIONS				
CURRENT				
Service warranty	223	206	-	-
Employee entitlements	492	423	-	-
Dividends	-	1,500	-	1,500
	715	2,129	-	1,500
NON-CURRENT				
Employee entitlements	489	464	-	-
a. Aggregate employee entitlement liability	981	887	-	-
b. Number of employees at year end	85	66	-	-
c. Service warranty				
Carrying amount as at 1 July 2004	206	220	-	-
Additional provision recognised	169	131	-	-
Reductions resulting from payments	(152)	(145)	-	-
Carrying amount as at 30 June 2005	223	206	-	-
NOTE 19: CONTRIBUTED EQUITY				
30,863,000 (2004: 11,478,870) fully paid ordinary shares (a)	11,202	4,327	11,202	4,327
Nil (2004: 3,590,401) fully paid redeemable convertible preference shares (b)	-	3,590	-	3,590
	11,202	7,917	11,202	7,917

	2005		**2004**	
	No. Shares	**$000**	**No. Shares**	**$000**
a. Fully Paid Ordinary Shares				
Movements during the year:				
At the beginning of the reporting period	11,478,870	4,327	13,699,090	5,835
Conversion of preference shares as a result of IPO listing	3,590,401	3,590	-	-
Shares issued during the year				
- 11,930,729 on 26 November 2004	11,930,729	-	-	-
- 5,300,000 on 7 December 2004	5,300,000	5,300	-	-
- 63,000 on 7 December 2004	63,000	-	-	-
Shares bought back during the year				
- 1,500,000 on 26 November 2004	(1,500,000)	(1,500)	-	-
- 2,220,220 on 30 June 2004	-	-	(2,220,220)	(1,508)
Costs of capital raising in relation to IPO listing	-	(515)	-	-
At reporting date	30,863,000	11,202	11,478,870	4,327

NOTE 19: CONTRIBUTED EQUITY (continued)

a. Fully Paid Ordinary Shares

On 26 November 2004 the Company bought back 1,500,000 ordinary shares on issue. The total purchase consideration of the buy back was $1,500,000. The nature and terms of the buy back were:

- the buy back offer was a selective buy back offer only.
- the accepting shareholders have been paid and had their shares cancelled on 26 November 2004.
- the consideration for the buy back has been debited to the contributed capital of the Company.

On 26 November 2004 the Company issued 11,930,729 ordinary shares as part of a bonus issue.
There was nil consideration received.

On 7 December 2004 the Company issued 5,300,000 ordinary shares pursuant to a prospectus dated 8 November 2004. The proceeds for this issue was $5,300,000.

On 7 December 2004 the Company issued 63,000 ordinary shares pursuant to its employee share purchase plan for nil consideration. The shares cannot be traded until the earlier of the end of three years after acquisition, or the time when the eligible employee ceases to be employed by the Company.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	2005		2004	
	No. Shares	$000	No. Shares	$000
b. Redeemable convertible preference shares				
Movements during the year:				
At the beginning of the reporting period	3,590,401	3,590	3,590,401	3,590
Conversion of preference shares as a result of IPO listing	(3,590,401)	(3,590)	-	-
At reporting date	-	-	3,590,401	3,590

	Economic Entity		Parent Entity	
	2005	2004	2005	2004
	$000	$000	$000	$000
NOTE 20: RESERVES				
Foreign currency translation reserve	103	78	-	-
Movements during the year:				
Opening balance	78	40	-	-
Adjustment arising from translation of foreign controlled entity's financial statements.	25	38	-	-
Closing balance	103	78	-	-

	Note	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
NOTE 21: RETAINED PROFITS					
Retained profits at the beginning of the financial year		5,236	3,758	1,499	567
Net profit attributed to members of the Company		3,124	3,024	2,815	2,759
Loss on disposal of investment		-	-	-	(281)
Dividends provided for or paid		(2,926)	(1,500)	(2,926)	(1,500)
Adjustment for shares bought back		-	(46)	-	(46)
Retained profits at the end of the financial year		5,434	5,236	1,388	1,499

NOTE 22: CAPITAL AND LEASING COMMITMENTS

a. Finance lease commitments

	Note	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
Payable:					
not later than 1 year		59	32		
later than 1 year but not later than 5 years		72	50	-	-
Minimum lease payments		131	82	-	-
Less future finance charges		(12)	(8)	-	-
	16	119	74	-	-

b. Operating lease commitments

	Note	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
Payable:					
not later than 1 year		608	547	-	-
later than 1 year but not later than 5 years		2,329	2,219	-	-
later than 5 years		598	1,179	-	-
Minimum lease payments		3,535	3,945	-	-

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

NOTE 23: CONTINGENT LIABILITIES

	Note	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
Estimates of the maximum amounts of contingent liabilities that may become payable:					
- Bank guarantees by Amber Technology Limited in respect of various property lease rentals		193	193	-	-
		193	193	-	-

	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

On 2 September 2005, the Company announced an on market buy back of up to 1,543,150 ordinary shares on issue. The buy back is a part of the Company's capital management and designed to improve shareholder returns. At the date of this report no shares had been bought back by the Company.

NOTE 25: DIRECTORS' REMUNERATION

	Economic Entity 2005 $000	Economic Entity 2004 $000	Parent Entity 2005 $000	Parent Entity 2004 $000
Income paid or payable to all directors of each entity in the economic entity by the entities of which they are directors:	662	514	-	-
Income paid or payable to all directors of the parent entity by the parent entity and any related parties:	515	389	-	-

The names of directors of the parent entity who have held office during the financial year are:

P F Wallace

P A Amos

T R Amos

E F Goodwin

D R Swift

N Cairns

N Singhi (resigned 05/11/04)

NOTE 26: REMUNERATION OF SPECIFIED DIRECTORS AND EXECUTIVES

Specified Directors

P F Wallace
Non-Executive Chairman

P A Amos
Managing Director

T R Amos
Non-Executive Director

E F Goodwin
Non-Executive Director

D R Swift
Non-Executive Director

N Cairns
Non-Executive Director

N Singhi (resigned 05/11/04)
Non-Executive Director

Specified Executives

Robert Glasson
Chief Financial Officer
(appointed as CFO 01/04/05)

Heather Garland
Chief Financial Officer
(resigned as CFO 01/04/05)

Brian Lee
General Manager
Lifestyle Entertainment

Nigel Streatfield
General Manager
Avid

John Fitzpatrick
Divisional Manager
Professional

David Small
Divisional Manager
Audioworks

Ross Caston
Divisional Manager
Broadcast

Ralph McCleery
Director
Amber Technology (NZ) Limited

NOTE 26: REMUNERATION OF SPECIFIED DIRECTORS AND EXECUTIVES (continued)

Determination of remuneration of specified directors

Remuneration of non-executive directors comprises fees determined having regard to industry practice and the need to obtain appropriately qualified independent persons.

Remuneration of the managing director is determined by a remuneration committee (refer to the statement of corporate governance practices). In this repect, consideration is given to normal commercial rates of remuneration for similar levels of responsibility.

A bonus element of remuneration is determined in relation to the economic entity's net profit before tax. The bonus is cash in nature and is a fixed amount rather than a percentage of total remuneration.

Post employment benefits consist entirely of superannuation and ordinary statutory entitlements for executive directors. There are no other post employment benefits in place for directors.

Determination of remuneration of specified executives

Remuneration of senior executives is determined by a remuneration committee (refer Statement of Main Corporate Governance Practices for further details). In this respect, consideration is given to normal commercial rates of remuneration for similar levels of responsibility.

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

The chief financial officer received an incentive element of salary based on the achievement of the Company's profit targets. This is capped at a fixed rate rather than as a percentage of total remuneration.

Remuneration of directors		**Primary Benefits**		**Post Employment Benefits**	**Equity Compensation**	
	Salary $	**Commissions $**	**Bonus $**	**Superannuation $**	**Options $**	**Total $**
P A Amos	309,297	-	62,500	26,955	5,504	404,256
P F Wallace	45,000	-	-	-	5,504	50,504
T R Amos	15,000	-	-	-	-	15,000
E F Goodwin	15,000	-	-	-	-	15,000
D R Swift	15,000	-	-	-	-	15,000
N Cairns	15,000	-	-	-	-	15,000
N Singhi (resigned /11/04)	-	-	-	-	-	-
	414,297	-	62,500	26,955	11,008	514,760

Remuneration of executives		**Primary Benefits**		**Post Employment Benefits**	**Equity Compensation**	
	Salary $	**Commissions $**	**Bonus $**	**Superannuation $**	**Options $**	**Total $**
H Garland	165,142	-	17,500	13,063	2,408	198,113
R Glasson	111,453	-	3,488	10,030	914	125,885
B Lee	114,107	36,845	7,500	7,740	914	167,106
N Streatfield	178,908	19,969	10,500	17,629	914	227,920
J Fitzpatrick	105,867	3,000	6,750	10,810	914	127,341
D Small	100,115	45,270	7,500	13,085	914	166,884
R Caston	120,000	6,188	3,994	11,357	914	142,453
R McCleery	126,667	-	20,000	-	914	147,581
	1,022,259	111,272	77,232	83,714	8,806	1,303,283

	Number of Options over Ordinary Shares 2005	2004
NOTE 27: EMPLOYEE EQUITY BASED BENEFIT ARRANGEMENTS		
Employee Share Option Plan		
Held by employees at the beginning of the year	-	-
Granted by the Company during the year		
- with exercise price of $1.20	750,000	-
- with exercise price of $1.35	200,000	-
Held by employees at the end of the year	950,000	-
Fair value of options issued at the date of issue	950,000	-

- The Board may determine the executives and eligible employees who are entitled to participate. The options expire 5 years after issue or earlier in the event of dismissal, death, termination, redundancy or retirement of the employee.
- There were no options exercised, forfeited or that lapsed during the financial year.
- The fair value of the options as the date issued was determine with reference to the market price.
- In relation to bonus issues, each outstanding option confers on the option holder the right to receive, on exercise of those outstanding options, not only one share for each of the outstanding options exercised but also the additional shares the option holder would have received had the option holder participated in that bonus issue as a holder of ordinary shares.

	Parent Entity	
	2005	**2004**
	$000	**$000**
NOTE 28: RELATED PARTY TRANSACTIONS		
a. The parent entity is Ambertech Limited		
b. Loans to wholly owned subsidiaries	7,822	6,592

Loans were made to wholly owned subsidiaries under normal commercial terms and conditions.

	Economic Entity		**Parent Entity**	
	2005 Number of Shares	**2004 Number of Shares**	**2005 Number of Shares**	**2004 Number of Shares**
c. The direct, indirect and beneficial holdings of directors and their director related entities in the shares and share options of the parent company as at 30 June 2005 were:				
Ambertech Limited				
- number of ordinary shares	18,047,880	11,033,870	17,690,281	10,834,287
- number of redeemable converting preference shares	-	3,590,401	-	3,590,401

NOTE 28: RELATED PARTY TRANSACTIONS (continued)

d. 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.

   The agreement commenced 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 $398,752.

e. Endeavour Capital Australia Pty Limited, a company associated with Mr Peter Wallace, received fees of $36,364 for assisting with the listing of the Company on the Australian Stock Exchange.

f. The aggregate number of shares disposed of by directors and their related entities during the financial year:

Prior to listing on the ASX:

Director	**Ordinary Shares**
N Cairns	1,500,000
T Amos	600,000
P Amos	500,000
E Goodwin	300,000
D Swift	300,000

Subsequent to listing on the ASX:

N Cairns	1,000,000

	Professional		Lifestyle Entertainment		Eliminations		Economic Entity	
	2005 $000	2004 $000	2005 $000	2004 $000	2005 $000	2004 $000	2005 $000	2004 $000
NOTE 29: SEGMENT REPORTING								
Primary reporting - Business segments								
Revenue								
- External Customers	27,190	22,194	25,726	23,621	-	-	52,916	45,815
- Other Segments	3,460	1,649	-	-	(3,460)	(1,649)	-	-
Total sales revenue	30,650	23,843	25,726	23,621	(3,460)	(1,649)	52,916	45,815
Result								
- Segment result (before interest and tax)	2,779	1,831	2,371	2,878	-	-	5,150	4,709
- Unallocated/corporate result							(290)	(121)
							4,860	4,588
- Net interest							(172)	(127)
- Profit from ordinary activities before income tax							4,688	4,461
- Income tax expense							(1,564)	(1,437)
- Profit from ordinary activities after income tax							3,124	3,024
Assets								
- Segment Assets	9,571	8,666	10,619	8,990	-	-	20,190	17,656
- Unallocated/corporate assets							7,230	4,074
- Total assets							27,420	21,730
Liabilities								
- Segment Liabilities	3,094	3,045	683	437	-	-	3,777	3,482
- Unallocated/corporate liabilities							6,904	5,017
- Total liabilities							10,681	8,499
Other								
- Acquisition of non current segment assets	-	-	-	-	-	-	-	-
- Unallocated/corporate assets							343	431
							343	431
- Depreciation and amortisation of segment assets	-	-	-	-	-	-	-	-
- Unallocated/corporate assets							469	439
							469	439
- Other non-cash expenses	-	-	-	-	-	-	-	-
- Unallocated/corporate assets							14	27
							14	27

Business Segments

The consolidated entity comprises the following main business segments:

- Professional	Distributor of high technology equipment to the 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..

	Segment Revenues from External Customers		Carrying Amount of Segment Assets		Acquisition of Non-Current Assets	
	2005 $000	2004 $000	2005 $000	2004 $000	2005 $000	2004 $000
Secondary reporting - Geographical Segments						
Geographical Location						
- Australia	46,698	42,608	24,765	20,411	343	425
- New Zealand	6,218	3,207	2,655	1,319	-	6
	52,916	45,815	27,420	21,730	343	431

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of receivables and inventories. All remaining assets of the economic entity are considered to be corporate or unallocated assets, including property, plant and equipment. As such, depreciation and amortisation are also classified as corporate or unallocated expenses. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and borrowings.

Segment assets and liabilities do not include deferred income taxes.

Intersegment Transfers

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

Change in Presentation

The reporting of primary business units has been changed from the prior year to more accurately reflect the way in which the Company operated and the method by which financial information is presented to management. The effect of this change in segment reporting cannnot be quantified.

NOTE 30: CASH FLOW INFORMATION

a. Reconciliation of Cash

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	3	3	-	-
At call deposits with financial institutions	2,927	1,311	17	53
	2,930	1,314	17	53

	Economic Entity		Parent Entity	
	2005 $000	2004 $000	2005 $000	2004 $000
NOTE 30: CASH FLOW INFORMATION (continued)				
b. Reconciliation of cash flow from operations with profit from ordinary activities after income tax				
Profit from ordinary activities after income tax	3,124	3,024	2,815	2,759
Non-cash flows in profit from ordinary activities:				
Amortisation	173	186	-	-
Depreciation	296	254	-	-
Charges to provisions	155	36	-	-
(Profit) on disposal of plant and equipment	(145)	-	-	-
Borrowing expenses	8	3	-	-
Foreign currency loss	-	1	-	-
Foreign currency gain	(4)	(13)	-	-
Changes in assets and liabilities				
(Increase)/Decrease in receivables	(3,741)	(1,308)	-	-
(Increase)/Decrease in prepayments	(84)	146	-	-
Decrease/(Increase) in inventories	(2,786)	797	-	-
Increase/(Decrease) in payables	4,321	374	(4,283)	(2,885)
Increase/(Decrease) in income tax payable	(253)	715	(232)	443
Increase/(Decrease) in deferred taxes payable	47	(502)	(30)	(288)
Cash flows from operations	1,111	3,713	(1,730)	29

	2005		**2004**	
	Used $000	**Unused $000**	**Used $000**	**Unused $000**
c. Financing Facilities				
The economic entity has a commercial bill facility of $5,000,000 provided by the economic entity's bankers.				
Commercial bill facility (i)	3,350	1,650	-	-
Debtor factoring facility	-	-	1,365	2,135

(i) A deed of cross guarantee exists between Ambertech Limited and its subsidiaries; Amber Technology Limited and Alphan Pty Limited in relation to security over the commercial bill facility.

(ii) There were no other credit standby arrangements or loan facilities available for use.

d. Non Cash Financing and Investing Activities

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

NOTE 31: FINANCIAL INSTRUMENTS

i. Derivative Financial Instruments

Derivative financial instruments are used by the economic entity to hedge exposure to exchange risk associated with purchases undertaken in foreign currencies. The derivative financial instruments used by the entity are not recognised in the financial statements.

ii. Unrecognised Financial Instruments

The economic entity enters into forward exchange contracts to buy and sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the economic entity against unfavourable exchange rate movements for contracted future purchases undertaken in foreign currencies.

The accounting policy in regard to forward echange contracts is detailed in note 1h.

At balance date, the details of outstanding forward exchange contracts are:

	Sell Australian Dollars		Average Interest Rate	
	2005	2004	2005	2004
Settlement	$000	$000	$000	$000
Less than 6 months	-	375	-	0.7014

At balance date, there was a total of $3,394,000 (2004: 1,821,000) payable in foreign currencies that had not been hedged by financial instruments.

b. Interest Rate Risk

The economic entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing Within 1 Year		Fixed Interest Rate Maturing 1 to 5 Years	
	2005 %	2004 %	2005 $000	2004 $000	2005 $000	2004 $000	2005 $000	2004 $000
Financial Assets								
Cash on hand			3	3	-	-	-	-
Cash at bank	4.0	1.5	2,721	1,111	-	-	-	-
Deposits at call	4.0	4.6	206	200	-	-	-	-
Total Financial Assets			2,930	1,314	-	-	-	-
Financial Liabilities								
Commercial Bills	6.2	-	-	-	3,350	-	-	-
Debtors subject to factoring	9.7	9.7	-	-	-	1,365	-	-
Other creditors	6.5	6.5			91	310	-	-
Lease Liabilities	10.3-14.3	6.3-11.9	-	-	49	27	70	47
Total Financial Liabilities			-	-	3,490	1,702	70	47

NOTE 31: FINANCIAL INSTRUMENTS (continued)

c. Credit Risk

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

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

d. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

	Economic Entity 2005 $000
NOTE 32: EARNINGS PER SHARE	
Basic EPS	10.7
Weighted average number of ordinary shares	29,213,920
Earnings used to calculate Basic EPS	3,124,000
Diluted EPS	10.7
Weighted average number of ordinary shares	29,213,920
Earnings used to calculate Basic EPS	3,124,000

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

(b) Comparative information has not been provided as this is the first time the company has been required to comply with AASB 1027, and because there has been a significant change in the capital structure since the prior year.

NOTE 33: IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

The economic entity is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the entity's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The entity's management, along with its auditors and advisors, have assessed the significance of the expected changes and have prepared for their implementation. An AIFRS committee is overseeing and managing the entity's transition to AIFRS. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards, has been considered where applicable.

The directors are of the opinion that the key material differences in the entity's accounting policies on conversion to AIFRS and the financial effect of these differences are set out below.

NOTE 33: IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)

(a) Share based payments

Under AASB 2 Share Based Payments, the Company will be required to determine the fair value of performance rights issued to employees as remuneration and recognise an expense in the Statement of Financial Performance. This standard also extends to options and other forms of equity based remuneration. It applies to all share based payments issued after 7 November 2002 which have not vested as at 1 January 2005. The Company has undertaken a valuation of performance rights granted using the Black-Scholes Model. It has been determined that on transition to AIFRS there will be no impact on retained earnings as at 1 July 2004. For the year ended 30 June 2005 it is expected that there will be a charge to the profit and loss of $20,000 and a corresponding credit to the employee equity benefits reserve.

The value of the future expenses relating to executive options that have not yet vested at reporting date will create a deferred tax asset in relation to share based payments. The balance as at 30 June 2005 under IFRS reporting is calculated as $62,000.

(b) Intangibles

Prior to the adoption of AIFRS, the economic entity amortised goodwill over a period of 20 years. Under AIFRS, goodwill is classified as an intangible asset with an indefinite useful life, and as such amortisation of goodwill is no longer permitted, but impairment assessment of goodwill is required at least annually.

Impairment testing as at 1 July 2005 confirmed no impairment of the goodwill as at 30 June 2005. The previously amortised goodwill of $408,000 will, therefore, be reversed resulting in a corresponding increase of $408,000 in retained earnings as at 1 July 2004, and an increase in profit amounting to $148,000 for the year ended 30 June 2005.

(c) Impairment of assets

Under AASB 136 Impairment of Assets, the recoverable amount of an asset is determined as the higher of the net selling price and value in use. This will result in a change to the Company's current accounting policy, which determines the recoverable amount of an asset on the basis of discounted cash flows. Under the new policy the Company's assets were tested for impairment at the date of transition as part of the cash generating unit to which they belong. This did not have an impact on the Company's financial performance and position at the date of transition but may impact future periods as testing will be carried out at each subsequent reporting date.

(d) Non-Current Assets

Plant and equipment will be measured at cost under AIFRS. No reclassifications are expected to arise for the economic entity. As carrying amounts, depreciation rates and useful economic lives are not expected to change, there is no effect on the income statement for the financial year ended 30 June 2005.

Formation costs will be written off under AIFRS. At balance date the written down value of formation costs is $19,000.

(e) Income taxes

Under AASB 112 Income taxes, deferred tax balances are determined using the balance sheet method, which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. The consolidated entity has assessed the impact of AASB 112 on the tax balances of the group and the most significant impact will be the recognition of a deferred tax asset at float date (7 December 2004) of $154,000, in relation to share issue costs deductible in future years (with a corresponding increase in contributed equity), and $124,000 as at 30 June 2005.

These adjustments will decrease profit after income tax for the year ended 30 June 2005 by $30,000 and retained profits by a corresponding amount.

(f) Foreign Currency Translation

Under AASB 121 The Effects of Changes in Foreign Exchange Rates, overseas entities will be required to determine their functional currency and measure their financial performance and position in this nominated currency. We have considered the impact across our overseas subsidiaries and determined that there is no change to the currency in which they currently measure their financial performance and position.

NOTE 33: IMPACTS OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)

Summary of expected AIFRS adjustments	**Economic Entity $000**
Impact of transition to AIFRS on Net Profit for year ended 30 June 2005	
Net profit as reported under Australian Accounting Standards	3,124
Key transitional adjustments	
- Reversal of amortisation of goodwill	148
- Increase in FITB due to share issue costs	(30)
- Share based payments expense	(20)
- Write off of formation costs	(19)
Net profit for the year ended 30 June 2005 under AIFRS	3,203
Impact of transition to AIFRS on retained earnings as at 1 July 2004	
Retained earnings as at 1 July 2004 under Australian Accounting Standards	5,236
Key transitional adjustments	
- Reversal of accumulated amortisation of goodwill	408
Retained earnings as at 1 July 2004 under AIFRS	5,644
Impact of transition to AIFRS on Net Assets as at 30 June 2005	
Net Assets as at 30 June 2005 under Australian Accounting Standards	16,739
Key transitional adjustments	
- Increase in FITB due to share issue costs	124
- Reversal of accumulated amortisation of goodwill	556
Net Assets as at 30 June 2005 under AIFRS	17,419
Impact of transition to AIFRS on Equity as at 30 June 2005	
Total Equity as at 30 June 2005 under Australian Accounting Standards	16,739
Key transitional adjustments	
- Increase in FITB due to share issue costs	124
- Reversal of accumulated amortisation of goodwill	556
- Share based payments expense	(20)
- Share based payments reserve	20
Total Equity as at 30 June 2005 under AIFRS	17,419

NOTE 34: COMPANY DETAILS

The principal place of business and registered office of the Company is:

Unit B
5 Skyline Place
Frenchs Forest NSW 2086

In the opinion of the directors of Ambertech Limited:

a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001, comply with Accounting Standards and give a true and fair view of the financial position as at 30 June 2005 and of the performance for the year ended on that date of the company and economic entity.

b. at the date of this declaration there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c. the directors have been given the delarations 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.

Director: P F Wallace

Director: P A Amos

Dated this 27th day of September 2005.

A Member Firm of PKF International

PKF
Chartered Accountants
& Business Advisers

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Liability is limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)

Lead auditor's independence declaration
Under section 307C of the Corporations Act 2001

To the Directors of Ambertech Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2005, there have been:

i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF
Chartered Accountants & Business Advisers

Paul Bull
Partner

Sydney : 29th September 2005

A Member Firm of PKF International

PKF

Chartered Accountants
& Business Advisers

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Independent Audit Report
to the members of
Ambertech Limited and Controlled Entities

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Ambertech Limited and the consolidated entity for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during the year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and

- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

PKF

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the financial report of Ambertech Limited is in accordance with:

(a) the Corporations Act 2001, including:

i) giving a true and fair view of the company's financial position as at 30 June 2005 and of its performance for the year ended on that date; and

ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

PKF

PKF
Chartered Accountants & Business Advisers

P E Bull

Paul Bull
Partner

Sydney: 29th September 2005.

Shareholders

Distribution of Shareholders

Distribution	Number of Holders
1 - 1,000	71
1,001 - 5,000	146
5,001 - 10,000	207
10,001 - 100,000	108
100,001 and over	14
	546

The number of shareholders holding less than a marketable parcel is 3.

Substantial Shareholders

Name	Number of Ordinary Shares
Wavelink Systems Pty Limited	5,434,625
Crowton Pty Limited	4,275,343
Howbay Pty Limited	2,883,556
Wygrin Pty Limited	2,883,556
Commonwealth Bank of Australia and their subsidiaries	2,644,802
National Nominees Limited	2,047,152
Nanyang Australia Limited	2,000,464

Shareholders

Twenty largest shareholders

The 20 largest shareholders comprise:

Name	Number of Ordinary Shares	Percentage of Capital
Wavelink Systems Pty Limited	5,434,625	17.61%
Crowton Pty Limited	4,275,343	13.85%
Howbay Pty Limited	2,883,556	9.34%
Wygrin Pty Limited	2,883,556	9.34%
National Nominees Limited	2,047,152	6.63%
Nanyang Australia Limited	2,000,464	6.48%
SME Custodians Pty Limited	1,322,401	4.28%
SME Equities Pty Limited	1,322,401	4.28%
ANZ Nominees Limited	1,032,911	3.35%
Mr Joseph Grech	464,057	1.50%
Mr Ralph McCleery	357,599	1.16%
RBC Global Services Australia Nominees Pty Limited	357,550	1.16%
Mr Joseph Paul Grech & Ms Deborah Lee Grech	333,261	1.08%
J P Morgan Nominees Australia Limited	151,000	0.49%
Blacks Rocks Estate Pty Limited	100,000	0.32%
Mr Niall Cairns	100,000	0.32%
Carnethy Investments Pty Limited	100,000	0.32%
Craigievar Consulting Pty Ltd	100,000	0.32%
Mr Victor John Plummer	100,000	0.32%
Realcal Pty Ltd	100,000	0.32%
	25,465,876	**82.51%**

>> NOTES

>> Corporate Directory

Ambertech Limited	ACN 079 080 158	
Directors	Chairman – Non-Executive Director	Peter Francis Wallace
	Managing Director	Peter Andrew Amos
	Non-Executive Director	Thomas Robert Amos
	Non-Executive Director	Edwin Francis Goodwin
	Non-Executive Director	Niall Cairns
	Non-Executive Director	David Rostil Swift
	Non-Executive Director (resigned 5/11/04)	Nitin Singhi
Company Secretary	Robert John Glasson	
Registered Office	Unit B 5 Skyline Place Frenchs Forest NSW 2086 Tel: 61 2 9452 8600 Fax: 61 2 9975 1368	
Accountants and Auditors	PKF Chartered Accountants and Business Advisors Level 10, 1 Market Street Sydney NSW 2000	
Share Registry	ASX Perpetual Registrars Limited Locked Bag A14 Sydney South NSW 1235 or Level 8, 580 George Street Sydney NSW 2000 Tel: 02 8280 7111	
Stock Exchange Listing	Australian Stock Exchange ASX Code: AMO	

Ambertech LIMITED

info@ambertech.com.au www.ambertech.com.au

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