REPORT & ACCOUNTS

FULL YEAR ENDED 30th JUNE 2022

NORTHAMBER

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3M
PORT DESIGNS PARIS
Lexar
Neomounts BY NEWSTAR
10ZiG
NOWSIGNAGE
Yealink
SAPPHIRE
avocor
Edis
SONY
USR
DIGITAL PROJECTION A Delta Associate Company
WatchGuard
DAKTRONICS
EIZO
ThinPrint
B TECH
CREATIVE
Roland Professional A/V
conXeasy
BLUSTREAM
Cloud
WyreStorm
Wasp BARCODE TECHNOLOGIES
CertaUPS
KONFTEL
Infrascale
SEIKO
nebulon
digiLED
OLYMPUS
allsee
EATON Powering Business Worldwide
DIVI GEAR
mersive technologies inc
TRIPP·LITE by EATON
MAIL STORE
LINDY CONNECTION PERFECTION
JVC
RTI
Fellowes
AVANAN
humly
ATEN
AOTO
wacom
RICOH
Yealink
matrox
AIRTAME
OSRAM
STORTREC The Next Level Of Service
Microsoft Partner Gold OEM Silver Volume Licensing
StorMagic
AOPEN
kramer
FEITIAN WE BUILD SECURITY
AVer
GTIA
nexenta
NAKIVO
TOA
connektgear better connected
Dynamode
kordz
legrand
EFS
EIKI
logitech
uniprint
DIGITAL PROJECTION
akasa

PFU A RICOH Company
Lenovo
vivitek Vivid Color Vivid Life
digiLED
CHRISTIE
brother at your side
panda a WatchGuard brand
FUJITSU
WatchGuard
Canon
Trust.
ENDPOINT PROTECTOR
brainboxes
sy
screenint
Certified partner 2022 Dictation solutions PHILIPS
OOKMEE
Phriendly Phishing
HuddleCamHD
INTEGRA
AVerMedia
Process Fusion
PHILIPS
EIKI
Parallels Optimized Computing
OPTICS
kemp
DEXON
Kodak alaris
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WatchGuard
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swivelsecure official distributor
OVERLAND TANDBERG
NetSupport
OOKMEE
SUPERMICRO
EXO5
ra technology

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SUMMARY INFORMATION

Northamber plc and its subsidiaries are primarily distributors of computers, peripheral equipment and related services to resellers who then sell on to the general public and corporations – the end users.

The company's shares are listed on AIM, a market operated and regulated by the London Stock Exchange under stock symbol "NAR".

Summary of last five years' trading

	Years ending 30 June				
	2022	**2021**	**2020**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Revenue	66,260	60,009	52,835	50,329	58,136
(Loss)/Profit before tax	(447)	385	9,925	(598)	(489)
(Loss)/Earnings per share	(1.64)p	1.24p	31.16p	(2.17)p	(1.74)p
Net Assets per share	89.8p	92.1p	91.5p	60.8p	62.2p
Dividends paid per share (net)	0.7 p	0.6 p	0.2p	0.2p	0.2p

NORTHAMBER PLC
CHAIRMAN’S STATEMENT

Results

We are pleased to share that we have continued to grow revenue year on year by 10.4% from £60.01m to £66.26m whilst achieving gross margins at 12.8% (13.0% prior year) despite challenging and very dynamic market conditions. This served to generate a continued increase in gross margins of £0.66m year on year to £8.47m and reflected our continued focus on evolving our product mix towards higher margin, more technical products through Northamber and AVM. The trend of this growth can be better seen when comparing results to even the year prior to that (June 2020) which had revenue of £52.8m and Gross Margins were £5.48m, albeit AVM was acquired early in the second half of that year.

Despite pleasing sales and gross margin growth for the year, performance in some of our focus areas remained impacted by the gradual recovery from Covid with continuing uncertainty for resuming events and large venue installations, as well as market disruptions from rapid changes in Sterling, particularly against the US Dollar. We remain optimistic and confident in these focus areas and believe that we can deliver significant long term value and growth in these segments for our partners and shareholders.

Distribution costs increased significantly from £4.59m to £5.56m as we continued to invest in developing the team for our significant growth ambitions. We were also affected by significant increases year on year on carriage costs (our biggest non-payroll cost).

The fall in the value of Sterling translated into a swing from a foreign exchange profit of £223k in 2021 to a loss of £164k in 2022, which was the main driver in increased administration costs from £2.84m to £3.36m.

It is frustrating that factors over which we have no control have led to increases in distribution and administration costs, which have outweighed the margin growth. The impact of carriage costs and a weaker Sterling, totalling approximately £0.3m resulted in a reduction of EBITDA year on year to a loss of £75k and an operating loss for the year of £0.45m versus a profit of £0.38m last year.

We feel strongly, however, that to drive significant long term profitable growth it is important that we continue to invest for the future, albeit these investments are measured against the ability to generate value.

Financial position

We made a deliberate decision to profitably support our partners by maintaining sufficient stock in country during the uncertainty of chip shortages together with continued impact on supply chains of Brexit, the war in Ukraine and COVID. As a consequence, stock levels increased from £8.5 million in 2021 to £10.6 million at 30 June 2022. This investment in inventory meant that cash reserves fell from £7.45m at 30 June 2021 to £4.70m. With Fixed Assets at book value at £6.92m, including three unencumbered freehold properties, the Group’s overall financial position is very sound. Net Assets at 89.8p per share are considerably in excess of the average price of the ordinary shares throughout the period.

Since the end of the financial year, the Board took the decision to relocate AVM into existing premises and to sell the freehold office where they are based. The Company has exchanged contracts for the sale of the office and completion is scheduled to occur on 28 November 2022. The consideration will be £1.48m, before costs, payable in cash, against a net book value of £1.43m. The net proceeds will be added to our cash reserves.

Board changes

In July 2022, Peter Dosanjh joined the Board as a director. Peter has over 25 years' experience within B2B AV and IT hardware resellers alongside AV distribution.

Geoff Walters is to stand down as a non-executive director with effect from 31 December 2022 and will not stand for re-election at this year's AGM. Geoff joined the Board in February 2016 and the Board is grateful for his contribution during this period and we wish him well for the future.

Dividend

As in previous years, your Board has had regard to the strength of our debt free, tangible asset strong balance sheet and is proposing the final dividend be 0.3p, at a total cost of £81,695. The dividend will be paid on 18 January 2023 to shareholders on the register as at 16 December 2022.

Staff

Our staff remain a key asset for the business and an area we continue to invest in. The team has continued to work hard to support our partners and each other. Our plans remain to continue to invest in our evolving business model by continuing to invest in building out the best team in the market to achieve our business evolution.

Outlook

In keeping with prior outlooks that we shared, we remain cautiously optimistic that the investments we have made in supporting our partners will allow us to continue to drive growth of strategic business units. We have yet to fully benefit from these investments, given the ongoing impact of COVID, forex movements and supply chain issues which together with wider economic uncertainty due to rising interest rates, inflation and subsequent cost of living impacts, necessarily mean we must remain cautious about the near term. We do feel strongly, however, that our continued focus on strategic higher margin value categories provides a solid road map for the future with profitable growth opportunities and the ability to unlock long term value for shareholders. The strength of our balance sheet allows us to continue to do what is best for the business strategically and we continue to review organic and non-organic opportunities for growth which meet our strict criteria and add value for our shareholders.

C.M. Thompson
Chairman

17 November 2022

NORTHAMBER PLC
STRATEGY AND PERFORMANCE

The Directors present their strategic report on the Group for the year ended 30 June 2022.

This report provides an overview of the Group's strategy, its business model and a review of how the Group has performed for the year. It also sets out the principal risks involved in its business and the financial position of the Group at the year end. There are also some comments and observations on the future prospects for the Group.

1. The Group's Strategy

As explained below in the notes on the business model, the Group is not directly involved with the ultimate users of the products it sells. It purchases goods from manufacturers and sells these products to resellers for sale to the ultimate end user.

This being the case requires us to develop strategies with both suppliers and resellers to satisfy the needs of those ultimate users of the products.

Our strategy has always been to assess the requirements of the end users and then source quality products and services from manufacturers and make them available to resellers at the best prices in the most efficient time frame. With an ever changing product range it has also been part of our strategy to support fresh new products which will be attractive to end users.

In addition to the supply of hardware and software products we also ensure that our customers are provided with the technical support either directly or through the suppliers which they may require to effectively use the high tech products we sell, thus ensuring quality of supply and satisfaction to users.

2. The Business Model

The Group has, since its inception, been involved in the distribution of electronics and computer related products. Initially this was predominantly printers but this has been extended over the years to include not only computers themselves but also a wide range of peripheral and ancillary related products including audio visual.

The Group has a two pronged approach in driving the business, being both demand driven and supply driven. The demand drivers are the requirements of our customers where we strive to provide a wide range of products and get them to the customer in the quickest possible time and at acceptable prices. The supply drivers are the requirements of our suppliers – the vendors. Vendors in the main are one of two types, there is the major brand type of supplier who is looking for us to increase its turnover, to physically get products to the customer. The second type of supplier differs only in that they tend to be the smaller producers, who often develop new or innovative products and are looking for a method of reaching an established wide ranging customer base which is beyond their own resources.

Our business model is to satisfy all those wants by providing a marketing and selling operation to optimise the penetration of the products to the customers and a distribution facility which includes warehousing and bulk breaking using sophisticated systems and procedures to achieve a first class delivery service.

3. Key Performance Indicators

The Group has an extensive management reporting system and uses a wide variety of information in its everyday management of the business. This information is tailored to the various aspects of the business with individual managers being responsible for variances in movements within their particular sphere of operations to the executive management of the company.

The principal KPIs which are used and which have been reported elsewhere in our Annual Report are the following:-

KPI	Format	2021-22	2020-21
Revenue	£m	66.26	60.01
Gross Profit Percentage Margin	%	12.78	13.01
Net Assets per share	Pence	89.8	92.1
Working Capital Ratio *[1]	Times	2.59	2.47

*[1] Working Capital Ratio is calculated by adding Inventory and Net Trade Receivables, divided by Trade Payables

4. Performance Review

For some time the Group has been following a strategy of change away from the basic hardware type products which are in the main physically larger type products with relatively low margin and subject to great price pressure, towards more application intensive type products where there is greater scope for adding value and gaining margin.

However such changes need very careful planning and implementation to minimise the inevitable consequences which usually includes not only significant costs upfront before the benefits of the changes are manifest but also some tail off of some parts of the existing business.

There was a continuation of the move towards consolidation in some parts of the industry, particularly towards the ultimate consumer end of the industry.

5. Financial Review and Position

Revenue increased 10.4% to £66.26 million compared with last year with an increase in gross margin of 8.5% from £7.81 million to £8.47 million.

Our cash balance at the end of the financial year was £4.7 million reduced from £7.5 million due mainly to an increased investment in inventories from £8.47 million to £10.65 million.

Some 28.3% of the Net Assets comprise the carrying value of freehold properties, 19.2% cash and the balance working capital. The Net Assets were 89.8p per share (2021: 92.1p per share) which represented more than the average share price in the year.

6. Principal Risks and Uncertainties

Financial Risks
The Group uses various financial instruments, including cash, trade receivables and trade payables in the course of its operations.

The use of these instruments gives rise to risks associated with exchange rate risk, liquidity risk, interest rate risk, credit risk, inventory risk and reputational risk. The Directors review and agree policies to deal with each of these risks as summarised below.

Exchange Rate Risk
The Group purchases some of its products in foreign currency. Foreign currency purchases are subject to close management supervision. The Directors are informed regularly of the potential impact of exchange rate movements on the business and act to mitigate any adverse movement wherever possible. It is the Group's policy not to speculate in derivative financial instruments in either sterling or foreign currencies, nor to hedge translation or currency exposures.

Liquidity Risk
The Group seeks to manage financial risk of liquidity by ensuring it has sufficient cash resources available to meet foreseeable needs at all times through cash flow forecasting.

Interest Rate Risk
The Group's exposure to interest rate risk is principally with its cash asset.

It is the policy of the Group not to have long term loans or other financial instruments except in particular circumstances and when specifically approved by the Board. There have been no changes in the role of financial instruments during the year.

Credit Risk
Credit risk is deemed a risk due to default in payment. The Group's principal financial assets are cash and trade receivables. The credit risk associated with cash is reduced through ensuring the funds are held with major financial institutions and where possible deposits being split across a number of banks. The credit risk arising from the Group and company's trade receivables is reduced through prescribing credit limits for customers based on a combination of payment history, third party credit references and credit insurance levels. Credit limits are reviewed on a regular basis in conjunction with debt ageing, collection history and credit insurance levels. Given the current economic climate the Group feel it prudent to maintain Credit Insurance.

Inventory Risk
The Group operates in the technology industry and has an inventory risk in that older inventory can decrease in value. The Group mitigates this risk by having strong contracts with suppliers which allow the return and rotation of stock, and by internal control procedures where the ageing of inventory is regularly reviewed and actioned.

Reputational Risk
The Group's reputation is reliant on timely delivery of goods and services according to customer requirements and associated goodwill generated with customers. The principal risk involved is that the warehouse could be destroyed or made inoperable although the cost of such eventuality is of course covered by insurance, including loss of profits cover, but the operation is such that alternative accommodation could quickly be brought into action, or alternatively a warehousing function could be subcontracted at very short notice. Although such an event would have costs attached and would cause some disruption in the business, it would be far from catastrophic.

The existence of the Group's facilities such as the warehouse, the sales staff, the control systems and not least the financial soundness of the company means that we can offer a distribution facility which is quick and efficient, an attraction to both vendors and customers.

Market Risk

The Group is subject to both general market conditions and particularly to those affecting its own particular industry. The Group is a distributor of other businesses' products and is therefore dependent on the suppliers of such products to continue to provide products which are required by the customers of the company, at prices which are acceptable to those customers. This is managed within the Group by being alert to all the movements in the market place relating to both products and suppliers and to negotiating with existing and prospective suppliers for the supply of goods on the best possible terms to enable the company to trade effectively.

Where products are bought in foreign currency, the Group manages the risk inherent in such currencies by continuously updating its rates of conversion in calculating its costs to ensure prices remain competitive and in order to minimise the currency conversion risk.

The Group recognises the importance of providing additional services to its customers in relation to next day deliveries, credit limits, handling queries efficiently and maintaining a strong relationship with the customer and in this way aims to resist the competitive pressures in the sector.

Other Principal Risks and Uncertainties

Other than the risks stated above, in the opinion of the Directors, the principal operating risks are as stated in the section on Internal Control on page 27. The risks and uncertainties associated with the business model are set out below.

The model depends in part on working closely with the brand names in the industry as it is often the products from these vendors which form the core of the business, and in part on the development of new vendors particularly for the innovative products which are integral to the IT industry. Co-operation with vendors is therefore key and this risk of attrition is addressed by a combination of mutual co-operation with vendors on the range of products being offered, the pricing of those products and the marketing of those products. The company's continual search for new and improved products, particularly in peripherals, from new vendors also improves the range of products we can offer and thereby attract more customers to ourselves which enhances our attraction to the vendors and reduces the risk of loss of vendors.

All systems within the Group, including the control systems, are backed up securely on a regular basis, thus limiting the risk of data loss to a short period. The financial soundness of the Group is a matter which is constantly in the minds of the senior staff and Directors of the Group. Systems are in place to ensure that any deviation from the norm is immediately brought to the attention of staff and Directors. These systems have a proven history as shown in the strength of the Statement of Financial Position. The Group has sufficient working capital to enable it to meet its requirements.

Brexit

The Group assessed the risks around Brexit and identified the main ones as foreign exchange rates and disruption of supply chain. As our customers are mainly based in the UK we have not experienced any major issues and likewise no major issues were experienced with our workforce. As detailed above we constantly review our foreign exchange rate exposure and will continue to do this. We work closely with our suppliers to minimise any potential disruptions to supply of the products.

The Group has managed its stock holdings to minimise disruption from any supply chain delays and as a result the Group has experienced little major disruption due to Brexit.

Covid-19

The ongoing implications resulting from the Covid-19 pandemic had a potential impact across all stakeholders. Our continued approach has been focussed on the health, safety and well-being of our people and following HM Government's advice on working practices. Despite no formal lockdown periods during the financial year, we followed Government advice and our office-based employees worked from home for the first 9 months of the year moving to a hybrid working policy of 2 days per week in the office from 1 April 2022. All our office based employees continued to be able to work remotely and securely during the period.

A continuing impact was experienced within some of our focus suppliers within the Pro Audio Visual, Infrastructure and large Document Management sectors where many sales continued to be delayed due to restricted site access for installation, however following the relaxation of restrictions these issues are now receding.

During the closure of the office for the 9 months:

- Our distribution centre was fully functional throughout the period
- Our sales and administration teams were able to operate remotely with minimal disruption

Inflationary Risk

In line with most businesses, the Group has experienced rising supply prices due to the increases in energy prices and market uncertainty due to interest rate rises and supply chain issues. Whilst the Group will aim to pass on price rises this will cause uncertainty in demand. The Group believes that there is likely to be a slowdown in demand for some of its products but believes that with its diverse range it can mitigate any demand decreases.

7. Future Prospects

The Board's long term approach to investment decisions is well documented and often referenced in these statements. This approach was continued in the last year as we invested significantly in our new focus categories to help drive the business forward. This coupled with other investments in new vendors, customer acquisition and our renewed strategy leave us excited about the revenue and margin opportunities for the coming year.

We see significant potential in both our existing vendors and categories and the new categories we are developing and exploring. We will continue our customer-centric focus and ensuring that our offering and service levels allow our customers to profitably grow their business and consequently grow ours.

8. Events after the reporting period

The company has exchanged contracts on the sale of it Lightwater office which is due to complete on 28 November for a consideration of £1.48m before costs against a net book value of £1.43m.

Section 172 statement

The following disclosure forms the Directors' statement required under section 414CZA of the Companies Act 2006 on how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) in performing their duties. The Board recognises that engagement with its stakeholders is fundamental to the long-term success of the company and considers the views and interests of all key stakeholders in its decision making.

People

As reported on Page 4 our people are key stakeholders in the business as the recruitment, training and retention of experienced staff is key to the high quality service delivery to our customers.

Employee engagement and interaction is encouraged through a variety of means including:

- corporate intranets;
- team meetings; and
- staff one-to-one appraisals throughout the year.

Although there were no formal lockdown periods during the financial year, the company followed Government advice and the office remained closed for the period to 31 March 2022. As a result of the periods of remote working we have ensured that our employees have appropriate equipment to enable them to operate efficiently and to enable continued communication and interaction across the business and between colleagues.

The Group's financial performance is communicated regularly.

We invest in the development of future talent within the Group providing financial support for employees who are undertaking professional training to gain the qualifications required to progress with their careers. In addition we strongly support training and accreditation schemes from our suppliers to further the professional development of our employees.

Shareholders

The chairman and company secretary have primary responsibility for investor relations (IR).

The company makes announcements using the regulatory news service (RNS) throughout the financial year so that all investors are aware of current developments and financial performance of the Group.

The annual general meeting of the company, which is generally attended by all Directors, provides an opportunity for all shareholders to ask questions and to meet the Directors. The Board is always open to meet separately with shareholders on request.

Customers

Our customers are key stakeholders as their retention and acquisition are fundamental to the ongoing success of our business.

The Group has a diverse customer base across all our sectors servicing clients of all sizes. Our customer facing teams are in continuous contact with their base and have responsibility for both understanding their expectations and managing the delivery of our products and solutions.

Suppliers

Our suppliers are key stakeholders to the business as the Group is reliant on the constant flow of quality products and solutions to service our customer base and maintain and gain market share.

The Group has periodic reviews with all existing suppliers to ensure that business objectives are met and to ensure that quality of products and services is maintained at all times.

The Group employs product specialists who constantly review the market for new suppliers who can maintain the high quality of products and services offered by the Group, and can complement existing products and services offered.

The impact of the company's operations on the community and the environment

The Company is committed to ensuring that it is an asset to the local community and seeks to ensure that it meets the highest level of health and safety standards, and minimises its impact on the environment. The Company seeks to engage with the community, where appropriate, to achieve this.

Our goal in terms of climate change is to do all we reasonably can to reduce the impact of our activities on the climate. This involves working with our suppliers to meet the growing demand for more sustainable, greener products.

We are investing in electric car schemes and have installed solar panels to power our warehouse and are looking at solar power options for our other buildings.

The decisions made by the Board in light of Covid-19, which impacted on our key stakeholders included:

- supplier payments made in line with normal contractual terms in order to support suppliers in this difficult time and maintain good relationships despite any impact on the company's financial position which remained strong throughout;

- dividends paid and recommended in line with our progressive dividend policy, having considered the Group's liquidity and the balanced treatment of all other stakeholders in response to the Covid-19 crisis;

- executive remuneration was considered (as detailed in the remuneration report on page 17) in the context of Group financial performance in the year, financial outlook for the new financial year and the balanced treatment of other stakeholders in response to Covid-19, although it was decided no reductions were necessary given the company's strong financial position.

Acquisitions

There were no acquisitions made during the reporting period.

Governance

The Board believes that it is has the right mix of skills and experience in order to deliver its strategy for the benefit of all stakeholders.

On behalf of the Board

J.P. Henry
Operations Director

17 November 2022

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report and the accounts for the year ended 30 June 2022.

The financial statements include the individual entity Northamber plc and its wholly owned subsidiaries Anitass Limited and Audio Visual Material Limited. Anitass Limited owns the freehold of the premises at Swindon which is the Group's distribution centre and the premises at Lightwater which are the offices for Audio Visual Material Limited. These freehold premises were purchased during the year to 30 June 2020. Audio Visual Material Limited trades as a distributor and was acquired by Northamber plc on 31 January 2020. The other subsidiaries of Northamber plc are dormant and not material to the financial statements for the year to 30 June 2022.

Principal Activities

The Group's and company's principal activities are those of specialist supply of computer hardware, computer printers and peripheral products, computer telephony products and other electronic transmission equipment.

Financial Risks

The Group uses various financial instruments including cash, equity and various items such as trade receivables and trade payables that arise directly from its operations. The existence of these instruments expose the Group to a number of financial risks, the main ones being exchange rate risk, liquidity risk, interest rate risk and credit risk. The Directors review and agree policies for managing each of these risks and these are summarised in the Strategic Report.

Corporate Governance

The Corporate Governance Report on pages 20 to 27 forms part of the Directors' Report and is incorporated into this report by reference.

Dividends

The following dividends were paid in the year ended 30 June 2022

	2022	**2021**
	£'000	**£'000**
Ordinary dividends		
Previous year's final dividend paid	109	82
Interim paid	82	81
	191	163

The final proposed dividend of 0.3p (2021: 0.4p) will be paid on 18 January 2023 to all members on the register at the close of business on 16 December 2022.

Directors

Directors of the company who have served at any time during the year are listed on page 29.

REPORT OF THE DIRECTORS (continued)

Directors' indemnity provision

Qualifying third-party indemnity provision was in place for all Directors throughout the financial year and at the date of approval of this report.

Share Capital

At 30 June 2022, the company had 27,231,586 (2021: 27,231,586) Ordinary shares of 1p each issued. The shares have no special rights and there is no restriction on their voting rights.

Substantial Shareholdings

The company has been notified that the following shareholders held beneficial interest of 3 per cent or more of the company's issued share capital at 16 November 2022.

	Ordinary Shares of 1p each
Mr A.M. Phillips	62.88%
Herald Investment Management Limited	7.37%
Mr & Mrs Rockliff	3.67%
Quiros Limited	3.49%
Worsley Investors Limited	5.02%

Purchase of Own Shares

At the end of the year, the Directors had authority, under the shareholders' resolutions of 21 December 2021 to purchase through the market 2,723,158 (2021: 2,723,158) of the company's ordinary shares at prices ranging between 1p and 105% (2021: 1p and 105%) of the average middle market quotations for those shares as derived from the London Stock Exchange on the ten dealing days immediately preceding the day on which the shares are contracted to be purchased. This authority expires on 21 December 2022, the date of the next Annual General Meeting.

Auditors

A resolution to re-appoint Mazars LLP as the Group's auditors will be proposed at the forthcoming Annual General Meeting.

Employee Engagement

Every effort is made to keep staff as fully informed as possible about the operations and progress of the company. This is achieved through regular communication from the Operations Director to all staff and from the CEO to the Operational Management team meetings.

The Group encourages its staff to pursue career development and to that end has made available resources for training courses including video and computer training aids.

Applications received from disabled persons are given full and equal consideration but are small in number. The company fulfils its obligations towards employees who are disabled or who become so whilst in the employment of the company.

REPORT OF THE DIRECTORS (continued)

Energy and carbon reporting

Under the Streamlined Energy and Carbon Reporting Regime, the Company is required to report its energy consumption and greenhouse gas emissions arising in the UK.

Our disclosures are set out below and include energy and emissions from the entire Group, regardless of whether individual companies would be required to report.

UK Energy Use

	To 30 June 2022		To 30 June 2021		
	Consumption	**Greenhouse Gas (GHG) Emissions** **(tCO_2e)**	**Consumption**	**Greenhouse Gas (GHG) Emissions** **(tCO_2e)**	**Notes**
Electricity	212.0, MWH	49	237.1, MWH	55	Electricity consumed relates to routine office and warehouse power requirements
Gas	355.6, MWH	72	639.8, MWH	130	Gas used to fuel heating and hot water boilers in office and warehouse locations
	TOTAL	121		185	

Methodology

- Electricity – The electricity consumed by the Group relates solely to the routine power requirements of its offices and warehousing – lighting, heating, IT, air conditioning etc. To calculate the tCO_2e figure we have taken our overall electricity usage for the year to which a kgCo2e factor of 0.23314 was applied, being the UK Government's Conversion Factor 2022 for this type of electricity use.

- Gas – The gas consumed by the Group relates solely to the use of natural gas for the running of boilers for heating and hot water in its offices and warehouse. To calculate the tCO_2e figure we have taken our overall gas usage for the year to which a kgCo2e factor of 0.20374 was applied, being the UK Government's Conversion Factor 2022 for this sort of natural gas use. During the year the company actively reduced the gas heating in its warehouse and provided suitable winter clothing to its staff.

- Motor Vehicles. The company owned one van and one petrol company car and one electric company car for the year and one for part of the year so emissions are not included above as not considered material.

Intensity Ratio

Tonnes of CO_2e per total £m sales revenue during the year to 30 June 2022: 1.8 (2021: 3.1).

REPORT OF THE DIRECTORS (continued)

Energy Efficiency Activity

he business completed an installation of solar power to power the warehouse in Swindon in July 2022. The company is also investing in a scheme to provide electric cars as a salary sacrifice arrangement. The Company is mindful of its environmental obligations and will examine opportunities to further cut its carbon emissions.

Customers and Suppliers

The Directors foster and maintain strong relationships with customers and suppliers as set out in the s172 Report on pages 10 to 12.

Events after the reporting period

Details of important events occurring after the end of the reporting period are described in the Strategic Report, and the details are incorporated into this Directors' report by cross-reference.

Statement of disclosure to auditor

The Directors confirm that:

- in so far as each director is aware there is no relevant audit information of which the company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the Board

S. Yoganathan ACMA
Company Secretary

17 November 2022

REPORT TO SHAREHOLDERS BY THE BOARD ON DIRECTORS' REMUNERATION

The Group voluntarily provides the following Directors' Remuneration Report

Remuneration Committee

The Remuneration Committee comprised the Non-Executive Directors Mr C.M. Thompson, Mr G.P. Walters and Mr R. Reggio. This committee meets at least once a year and decides the remuneration policy that applies to executive Directors.

In setting the policy it considers a number of factors including:

(a) the basic salaries and benefits available to executive Directors of comparable companies;
(b) the need to attract and retain Directors of an appropriate calibre and experience; and
(c) the need to ensure executive Directors' commitment to the continued success of the company by means of incentive schemes.

The Group's remuneration policy for executive Directors is to:

(a) have regard to the Directors' experience and the nature and complexity of their work in order to pay a competitive salary that attracts and retains management of the highest quality;
(b) link individual remuneration packages to the company's performance through target-related bonuses which are not considered to be excessive in terms of salary;
(c) provide employment-related benefits including the provision of a company car, life assurance, insurance relating to the Directors' duties and medical insurance.

The final determination of an individual director's remuneration is taken by the Board as a whole but with no director participating in the discussions, nor voting on, his own remuneration package.

The Non-Executive Directors each receive a fee for their services which is agreed by the Board following recommendation by the chairman. The Non-Executive Directors do not receive any pension or other benefits from the company, nor do they participate in any of the bonus or incentive schemes.

When reviewing or amending remuneration arrangements the committee considers any impact on the cost to the company, employee behaviour, stakeholders (including shareholders, governance bodies and employees) best practice, corporate governance and market competitiveness.

Salaries and Benefits

The remuneration packages for executive Directors are benchmarked to ensure comparability with companies of a similar size and complexity. The bonuses have regard to personal performance measured against pre-stated objectives and profitability of the company.

Share Options

There are no share option schemes in force in the Group or company.

REPORT TO SHAREHOLDERS BY THE BOARD ON DIRECTORS' REMUNERATION (continued)

Contracts of Service

The three executive Directors, Mr A.M. Phillips, Mr J.P. Henry and Mr A.R. Lee, have service contracts. All three contracts are one year rolling contracts and contain no specific provisions in relation to any termination payments over and above the notice periods as stated below.

Mr A.M. Phillips	- Notice period – six months
Mr J.P. Henry	- Notice period – six months
Mr A.R. Lee	- Notice period – six months

The Non-Executive Directors do not have service contracts with the company. The terms of their appointment are reviewed by the Board every two years.

Directors' Detailed Emoluments

Details of Directors' emoluments are as follows:

During the year pension contributions were made by the company on behalf of 3 Executive Directors under money purchase schemes. The aggregate amounts paid are shown in the table below.

Directors' Interests

	Salaries and Fees		**Benefits**		**Pension**		**Total**	
	2022	2021	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Executive								
Mr J.P. Henry	100	100	14	14	10	10	124	124
Mr A.M. Phillips	50	88	8	11	10	6	68	105
Mr A.R. Lee (Appointed on 1 April 2021)	100	25	10	3	10	3	120	31
Non-Executive								
Mr G.P. Walters	20	20	-	-	-	-	20	20
Mr C.M. Thompson	57	56	-	-	-	-	57	56
Mr R. G. Reggio (appointed on 1 April 2021)	20	5	-	-	-	-	20	5
	347	294	32	28	30	19	409	341

The amounts above include £37,000 for IT consultancy fees paid to C Thompson (2021: £36,000).
For the year ended 30 June 2022 Mr A.M. Phillips has waived £50,000 of his salary.

REPORT TO SHAREHOLDERS BY THE BOARD ON DIRECTORS' REMUNERATION (continued)

Directors in office at 30 June 2022 had the following beneficial interests in the shares of the company:
Ordinary Shares of 1p each

	30 June 2022	**30 June 2021**
Mr A.M. Phillips	17,154,874	17,154,874
Mr J.P. Henry	-	-
Mr A.R. Lee	-	-
Mr G.P. Walters	-	-
Mr R. Reggio	-	-
Mr C.M. Thompson	14,500	14,500

Between 30 June 2022 and 16 November 2022 there have been no changes in the interests of the above named Directors in the shares of the company.

The market price of the company's shares at 16 November 2022 was 46.0p. The range of market prices during the year was 69 p to 51p.

S. Yoganathan ACMA.
By order of the Board

17 November 2022

CORPORATE GOVERNANCE

The Corporate Governance Report forms part of the Directors' Report included on pages 13 to 16.

Northamber plc ("the Company") is an AIM quoted Company and is committed to high ethical values and professionalism in all its activities. As an essential part of this commitment, the Directors acknowledge the importance of high standards of Corporate Governance and, given the Group's size and the constitution of the Board, have decided to apply the principles set out in the Corporate Governance Code for small and mid-sized companies published by the QCA in April 2018 (''QCA Code''). The Board is accountable to the Company's shareholders for good Governance.

CORPORATE GOVERNANCE POLICY

The Group's policy on Corporate Governance is published on the Group's website which is www.northamber.com.

The Company's objective is in alignment with the purpose of the QCA Code in that it is to deliver growth in long-term shareholder value and to deliver benefits to other stakeholders, accompanied by good communication to promote confidence and trust.

Set out below are the principles of the QCA Code and the Company's approach to compliance with the QCA Code, in support of its medium to long term success. In some areas, further development is required internally to more fully comply with the QCA Code and as these take place the website will be updated.

Strategy for long term shareholder growth

The Company's strategy is set out in full on page 5. Whilst the basic strategy remains the same, changes to its implementation from time to time to meet changing circumstances are determined by the Board as necessary. The management team, reporting to the Board, is responsible for implementing the strategy and managing the business at an operational level.

Meeting shareholders' needs and expectations

As set out on page 14 under Substantial Shareholdings, 81.44% of the shares are held by five parties, of which Alexander Philips holds 62.88%, leaving only 18.56% in other shareholders' hands. The Chairman is in contact with shareholders from time to time and via the Company's brokers issues the Half-Yearly Statements and other statutory information. In addition, the holding of an Annual General Meeting at a convenient time and place enables contact between shareholders and Directors. Notice of the Annual General Meeting is circulated to all shareholders at least 21 days prior to the meeting. Directors attend the AGM and will be available to answer shareholders' questions.

Shareholders may, at any time, communicate with the Company either via the Company Secretary or through the Company's brokers.

The Company intends to announce the detailed results of Shareholder voting at the AGM to the market, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.

The Company has a policy of being socially responsible and has established Social and Community Policy to be followed by the Company in respect of Social, Community and Environmental matters. The Board also recognises the need to maintain effective working relationships across a range of stakeholder groups, including shareholders, employees, partners and suppliers.

CORPORATE GOVERNANCE (continued)

The Company's operations and working methodologies take account of the need to balance the needs of all of these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of Northamber for the benefit of its members as a whole.

Effective Risk Management

The Board is responsible for the systems of risk management and internal control and for reviewing their effectiveness. The internal controls are designed to manage rather than eliminate risk and provide reasonable but not absolute assurance against material misstatement or loss. The Company's detailed approach to the management of risk is set out in the section on Principal Risks and Uncertainties on pages 7 to 9. There is a risk assessment carried out by the Board at regular intervals.

The Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues and has put in place an organisational structure with formally defined lines of responsibilities and delegation of authority. There are established procedures for planning, capital expenditure, information and reporting systems and for monitoring the company's business and its performance. The Board has delegated to executive management the implementation of the systems of internal control within an established framework that applies within the Company.

Effective, well-functioning Board, with up to date skills and experience

The Board normally comprises 3 executive and 3 independent Non-Executive Directors.
The biographies of the Directors are set out on page 29. Similarly, the method of establishing the effectiveness and appropriateness of the Board is set out on page 25. This process includes the assessment of the range of skills and an evaluation of the effectiveness of each Director.

All Directors have access to the advice and services of the Company Secretary and the Board has established a procedure whereby any Director may seek independent professional advice in the furtherance of his duties at the Company's expense. All Directors are able to allocate sufficient time to the company to discharge their responsibilities.

As required by the Company's articles of association, in every year at least one-third of the Directors offer themselves for re-election at the Annual General Meeting.

The Board is responsible to the shareholders for the proper management of Northamber and meets at least four times a year to set the overall direction and strategy, to review operational and financial performance and to advise on management appointments. All key operational and investment decisions are subject to Board approval. The Board also regularly discusses matters informally through the year. Any Board member may request the Company Secretary to report on any specific matter and prepare information for discussion at the Board meetings.

In addition to the Main Board there is an Audit Committee and Remuneration Committee, in each case chaired by a Non-Executive Director. Further details regarding the responsibilities of these committees can be found on pages 17 & 24.

In view of the size of the Company and its share and Board structure it has determined that the appointment of a Nominations Committee is not warranted.

Below the Main Board there is an Operations Committee comprising the executive Directors and senior management of the Company.

The Director's attendance at Board meetings is shown on page 24**.**

CORPORATE GOVERNANCE (continued)

The role of the Board is to ensure that the Company is managed to optimise the benefits to its stakeholders including shareholders, staff, customers, suppliers and the community at large. To achieve this objective the Board reserves to itself certain matters such as the formulation of strategy, the assessment of risk, and the setting of internal control systems. Certain areas of responsibility of the Board are dealt with by committees of the Board such as the audit committee and the remuneration committee reporting back to the Main Board.

The implementation of the decisions of the Main Board is delegated to the senior management of the company through the Operations Committee chaired by the Operations Director.
During the year, the Board reviewed each aspect of its role to ensure that it was fulfilling its role effectively and that each Director was individually making a full and effective contribution to the process. This was carried out by the Chairman reviewing the individual and collective contribution of the Board members against objectives.

The result of that review was that, having reviewed each Director's contribution and the requirements of the Company as a whole, each Director was effective and that the composition of the Board was appropriate and more than adequate for the time being.
The Chairman, in conjunction with the executive team, ensures that the Directors' knowledge is kept up to date on key issues and developments pertaining to financial and governance matters, its operational environment and to the Directors' responsibilities as members of the Board. During the course of the year, Directors received updates from the Company Secretary and various external advisers on a number of corporate governance matters.

Corporate Culture and Ethical Structures

The corporate culture and ethics is based on honesty and integrity in all matters and relating to all parties. There are policies in place within the working practices within the Company to ensure compliance with the high standards set. Whistle blowing provisions are also in place to deal with any infringements of the policies. The policies are regularly reviewed, updated and communicated to all staff.

The Company has adopted a share dealing code for the Directors and certain employees, which is appropriate for a company whose shares are admitted to trading on AIM (including relating to the restrictions on dealings during close periods in accordance with MAR and with Rule 21 of the AIM Rules for Companies). The Company takes all reasonable steps to ensure compliance with the share dealing code by the Directors and any relevant employees.

Governance Structures and Processes

The Corporate Governance structure and processes are set out on pages 20 to 27.

The Board is led by the Non-Executive chairman and is responsible for the overall direction and strategy of the Company. The Non-Executive Directors are responsible for bringing independent and objective judgment to Board decisions, bringing a range of views and experience from different fields. As part of their role, the Non-Executive Directors constructively challenge and develop proposals on strategy.

The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Board has established an Audit Committee and a Remuneration Committee, each with formally delegated duties and responsibilities.

CORPORATE GOVERNANCE (continued)

The Audit Committee, which meets at least twice a year, is responsible for keeping under review the scope and results of the audit, its cost effectiveness and the independence of the auditor.

The Remuneration Committee, which meets at least once a year, is responsible for considering the remuneration packages for executive Directors and making recommendations as appropriate.

The Directors' Remuneration Report is set out on pages 17 to 19.

Detailed processes and procedures are in place and available to all employees on a dedicated in house system to ensure that all operations, actions and decisions made by the employees are fully compliant and avoid undue risk.

The internal procedures are reviewed and updated regularly to maintain the highest level of standards.

Communication

The Board places a high priority on regular communications with its various stakeholder groups and aims to ensure that all communications concerning Northamber's activities are clear, fair and accurate. In addition to the statutory published information, the Company regularly updates its website for the benefit of shareholders, customers and suppliers. Communications with employees are maintained both by personal interaction with the Directors and senior management on a daily basis and through formal procedures. Communications with professional advisers ensure that the Company maintains and complies with up to date regulations regarding both internal and external communications.

The results of voting on all resolutions in future general meetings will be posted to the website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.

DIRECTORS

Board of Directors

The Group is led and controlled through the Board of Directors, which during the year comprised three executive and three Non-Executive Directors. Biographical details of each director in office during the year appear on page 29.

All Directors have access to the advice and services of the company secretary and the Board has established a procedure whereby any director may seek independent professional advice in the furtherance of his duties at the company's expense. All Directors are able to allocate sufficient time to the company to discharge their responsibilities.

As required by the company's articles of association, one third of the Directors offer themselves for re-election every year.

Non-Executive Directors

The Board considers that the Non-Executive Directors were independent throughout the year. The Non-Executive Directors actively contribute to the functioning of the Board and bring a range of views and experience from different fields.

As part of their role, the Non-Executive Directors constructively challenge and develop proposals on strategy. The Non-Executive Directors scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible. They determine appropriate levels of remuneration of executive Directors and have a prime role in appointing and, where necessary, removing executive Directors, and in succession planning.

The senior independent Non-Executive director, as included in the biographical details on page 29, is available to shareholders if they have concerns which contact through the normal channels of chairman or other executive Directors have failed to resolve or for which such contact is inappropriate.

Directors' Attendance

The following table shows the attendance of Directors at the Board meetings held in the last year.

	Number of Board Meetings	
	Entitled to Attend	**Attended**
Mr Alexander Michael Phillips	5	5
Mr John Phelim Henry	5	5
Mr Antony Richard Lee	5	5
Mr Colin Mark Thompson	5	5
Mr Riccardo Reggio	5	5
Mr Geoffrey Paul Walters	5	4

Audit Committee

The Audit Committee, currently chaired by Mr G.P. Walters, comprised the three Non-Executive Directors, all of whom are considered by the Board to be independent and to have sufficient recent and relevant financial experience to discharge the committee's duties.

The Board considers that the members of the audit committee have the required understanding of:-

- the principles of, content of and developments in financial reporting, including the applicable accounting standards and statements of recommended practice;
- key aspects of the company's operations, including corporate policies, financing and systems of internal control;
- matters that could influence or distort the presentation of accounts and key information;
- the role of external auditors.

The primary function of the audit committee is to enable the Board to monitor the integrity of the company's financial reports and manage the Board's relationship with the external auditors. Its other functions include the review and monitoring of:-

- the financial reporting process
- the annual audit
- the effectiveness of the company's internal controls and risk management
- the independence of the external auditors.

The audit committee reports to the Board its findings identifying any matters which it considers requires that action or improvement is required and makes recommendations on the steps to be taken.

CORPORATE GOVERNANCE (continued)

The committee's terms of reference include all relevant matters required by the Disclosure and Transparency Rules and the relevant code provisions. The terms of reference of the audit committee have been reviewed and are available on request by writing to the company secretary at the registered address and on the Company's website.

Overview of the Actions Taken by the Audit Committee to Discharge its Duties

During the year the audit committee:-

- reviewed the June 2021 annual report and financial statements and the December 2021 half yearly financial report. As part of the review the committee received a report from the external auditors on their audit of the annual report and financial statements
- reviewed the effectiveness of the company's internal controls
- reviewed and agreed the scope of the audit work to be undertaken by the external auditors
- agreed the fees to be paid to the external auditors for their audit of the 2021 report and financial statements
- reviewed the whistle blowing procedures in place to enable staff to raise concerns in confidence about possible wrongdoing
- considered the requirement for an internal audit function in the company and decided to recommend to the Board that such a function was not necessary at this stage
- recommended that the Board re-appoint the external auditors Mazars LLP

External Audit

The engagement and independence of external auditors is considered annually by the Audit Committee before it recommends its selection to the Board.

The fees paid to the Auditors in the year are disclosed in Note 4 to the Group financial statements.

Mazars LLP also follows its own ethical guidelines and continually reviews its audit team to ensure its independence is not compromised.

Operations Committee

The Operations Committee comprises the executive Directors and certain senior business managers. It meets weekly, and deals with the operational matters of the company other than those dealt with by the Remuneration and Audit Committees or by the full Board.

Board Effectiveness

The role of the Board is to ensure that the company is managed to optimise the benefits to its stakeholders including shareholders, staff, customers, suppliers and the community at large. To achieve this objective the Board reserves to itself certain matters such as the formulation of strategy, the assessment of risk, and the setting of internal control systems. Certain areas of responsibility of the Board are dealt with by committees of the Board such as the audit committee and the remuneration committee reporting back to the main Board. The implementation of the decisions of the main Board is delegated to the senior management of the company through the Operations Committee chaired by the operations director.

CORPORATE GOVERNANCE (continued)

During the year the Board reviewed each aspect of its role to ensure that it was fulfilling its role effectively and that each director was individually making a full and effective contribution to the process. This was carried out by the chairman reviewing the individual and collective contribution of the Board members against objectives and by the audit committee reviewing the performance of the chairman.

The result of that review was that, having reviewed each director's contribution and the requirements of the company as a whole, each director was effective and that the composition of the Board was appropriate and more than adequate for the time being.

GOING CONCERN BASIS

The Group's activities together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and the Directors' Report on pages 5 to 16. The financial position of the Group, its cash flow and its liquidity position are described in the Chairman's Statement on pages 3 to 4. In addition, the Strategic Report also includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The Group has considerable financial resources and established market profile and relationships with a number of suppliers and customers. As a consequence, the Directors believe that the company is well placed to manage its business risks appropriately despite the current economic outlook.

In carrying out their duties in respect of going concern, the Directors in September 2022 completed a review of the Group's financial forecasts for a period exceeding 12 months from the date of approving these financial statements to determine the potential impact on the Group of reasonably possible downside scenarios, including those arising from the Covid-19 pandemic and the resultant increase in risks for the Group. The Board are confident that with the strong balance sheet and cash position all working capital requirements will be met.

As stated above the impact on these financial statements has been minimal due to the diversified portfolio of products and solutions sold by the Group and the Group do not expect a significant impact from further lockdown periods. There have been no significant changes in levels of trading since the year end date.

After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

RELATIONS WITH SHAREHOLDERS

The Directors are available to meet with the Group's institutional shareholders throughout the year on request.

Notice of the Annual General Meeting (AGM) is circulated to all shareholders at least 21 days prior to the meeting. Directors attend the AGM and will be available to answer shareholders' questions.

CORPORATE GOVERNANCE (continued)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board believes that its Annual Reports and financial statements represent a balanced and understandable assessment of the company's position and prospects whilst also complying with the legal and regulatory requirements for financial reporting relevant to the company.

Internal Control

The Board of Directors has overall responsibility for the Group's systems of internal control and for monitoring their effectiveness.

The Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues and has put in place an organisational structure with formally defined lines of responsibilities and delegation of authority. There are established procedures for planning, capital expenditure, information and reporting systems and for monitoring the company's business and its performance. The Board has delegated to executive management the implementation of the systems of internal control within an established framework that applies within the company.

The Group's control systems address key business and financial risks. The Board considers the greatest risks to be related to the realisable value of current assets, principally inventories and trade receivables. Particular attention is paid to all matters relating to purchasing, inventories, revenues, trade receivables, cash, capital expenditure and foreign exchange. Comprehensive documented procedures are used and are available to all staff via the extensive computer system.

A system of control is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. As and when areas of improvement are brought to the attention of the Board and management steps are taken to further embed internal control and risk management into the operations of the business.

The Board has considered the need for internal audit but has decided that because of the size of the Group it cannot be justified at present.

A review of internal control was undertaken by the Board in April 2021. The conclusion of this review was that the systems and operations of the internal controls including financial, operational and compliance controls remained effective and appropriate to the operations of the company.

Other Matters

The Directors have published the company's Corporate Governance policies which the Directors consider are relevant to the company on the company's website.

Induction programmes for new Directors are specifically designed for each director as appointed as the content varies depending on the background and experience of the appointee. There is therefore no standard induction programme for new Directors.

By order of the Board

S. Yoganathan ACMA
Company Secretary
17 November 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and company financial statements for each financial year. Under that law the Directors are required by the AIM rules of the London Stock Exchange to prepare Group financial statements, and have elected to prepare the parent company financial statements, in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Group financial statements are required by law and International Accounting Standards in conformity with the requirement of the Companies Act 2006 to present fairly the financial position and performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the company and profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS AND ADVISERS

Non-Executive Directors

Geoffrey Paul Walters *† (Age 70) ACA
Non executive director.
Geoffrey Walters has a vast experience in a wide range of industries.

Colin Mark Thompson *† (Age 62)
Non executive director and Chairman.
Colin Thompson has over 39 years' experience in the distribution sector, and was a Director in the Company from September 1991 to January 1999.

Riccardo Reggio *† (Age 50)
Riccardo Reggio is an experienced corporate strategy and M&A adviser who works with a variety of companies to help them achieve their strategic goals.

* Member of Remuneration Committee
† Member of Audit Committee

Executive Directors

John Phelim Henry (Age 60)
Operations director
John Henry joined Northamber plc in 1992 in the Sales Department. He was promoted to Operations Director in 2012.

Alexander Michael Phillips (Age 36)
Managing director
Alex Phillips joined Northamber plc in 2014 as Director of Strategy, was appointed as Commercial Director in February 2020 and promoted to Managing Director in September 2020.

Antony Richard Lee (Age 56)
Finance director
Antony Lee joined Northamber plc in 2020 as Director of Finance and was appointed as Finance Director in 2021.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC

Opinion

We have audited the financial statements of Northamber Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022, which comprise:

- the Consolidated Statement of Comprehensive Income,
- the Consolidated and Parent Company Statement of Changes in Equity,
- the Consolidated and Parent Company Statement of Financial Position,
- the Consolidated and Parent Company Statement of Cash Flows; and
- notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to listed entities, *a*nd we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Evaluating the directors' method to assess the group's and the parent company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment, including evaluating judgements applied by the directors and consideration given to significant cash position held at the year end in forming their conclusions; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Impairment of Intangible assets including Goodwill (group) **Northamber has recognised Intangible assets (Brand and customer relationships) of £396,000 and Goodwill of £1,025,000 from the acquisition of Audio Visual Material Limited in the prior year.** **Refer to Accounting Policies (page 51); and Note 11 of the Consolidated Financial Statements (pages 61-62*)*** **In accordance with IAS 36: Impairment of assets, Goodwill and intangible assets are required to be assessed for impairment on an annual basis. The determination of the value in use of the CGU to which the Goodwill and Intangible assets are allocated involves management judgement and estimates including the discount rate, and both short term and long term growth rates.** **As such, there is a risk that if the judgements taken and assumptions used are inappropriate, goodwill may be materially misstated.**	Our procedures over the impairment of goodwill and intangible assets included, but were not limited to, the following: • We reviewed the methodology applied for the impairment review including consideration of the review and approval processes adopted; • We reviewed management's impairment model, including assessing and challenging the appropriateness of key assumptions underlying management's discounted cash flow ('DCF') projections, which included revenue growth, long term growth rate and the discount rate; • We reviewed the accuracy of the calculations in the DCF projections and the historical accuracy of management's forecasts; • We performed our own sensitivity analysis on management's impairment model to consider the impact of severe but plausible scenarios; • We considered whether the related financial statement disclosures were adequate and appropriate. **Our observations** Based on the procedures performed, we consider management's judgements relating to the impairment of intangible assets to be appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued)

Valuation of investment in the Subsidiary Audio Visual Material Limited "AVM" (Parent company only) **The group's accounting policies in respect of investments is set out under "investments" and on page 52 and note 17 to the financial statements.** **There is a risk that if there are any impairment indicators that would impact the carrying value of the CGU of AVM these may also impact the carrying value in the parent company of its investment in AVM.**	Our audit procedures included, but were not limited to: • Considering the results of the assessment for impairment indicators of the Goodwill and intangibles detailed above; and • Evaluating whether the relevant disclosures in the financial statements are reasonable. **Our observations** Based on the work performed, nothing has come to our attention which suggests that there were unidentified indicators for impairment not considered by the management.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality	Group materiality: £1,004k, which is approximately 1.5% of group revenue. Parent company materiality: £903k, which is approximately 1.5% of parent company revenue.
How we determined it	Revenue is a key performance indicator when monitoring the performance of the business and we therefore consider this to be an appropriate basis for determining materiality. We considered the use of Profit Before Tax however this has fluctuated significantly around the breakeven point year on year and therefore was not considered to be a stable basis for materiality.
Rationale for benchmark applied	Group performance materiality: £753k Parent company performance materiality: £678k Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Having considered factors such as the group and parent company's control environment, we have set our performance materiality at 75% of materiality.
Reporting threshold	We agreed with the Audit Committee that we would report to that committee all identified corrected and uncorrected audit differences in excess of £30k for the Group and £27k for the Parent (representing 3% of overall materiality) together with differences below that threshold that, in our view, warranted reporting on qualitative grounds.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued)

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and parent company financial statements of Northamber Plc. Based on our risk assessment, Northamber Plc and Audio Visual Material Limited were subject to full scope audit and this was performed by the group audit team; these two components account for 100% of group revenue. The one remaining component was subject to analytical procedures to respond to any potential risks of material misstatement to the Group financial statements.
The range of financial statement materiality across components, audited to the lower of local statutory audit materiality and materiality capped for group audit purposes, was between £100k and £903k being all below group financial statement materiality.
At the parent company level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information
The other information comprises the information included in the Report and Accounts other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 28, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-bribery, corruption and fraud, anti-money laundering regulation, general data protection regulations and alternative investment market "AIM" rules.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued)

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Stephen Brown (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

17 November 2022

NORTHAMBER PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Notes	2022 £'000	2021 £'000
Revenue	3	66,260	60,009
Cost of sales		(57,791)	(52,200)
Gross Profit		8,469	7,809
Distribution costs		(5,556)	(4,595)
Administrative costs		(3,365)	(2,837)
Operating (Loss)/profit	4	(452)	377
Finance income		5	8
Finance cost		-	-
(Loss)/Profit before tax		(447)	385
Tax charge	6	-	(48)
(Loss)/Profit for the year and total comprehensive income attributable to the owners		(447)	337
Basic and diluted (Loss)/profit per ordinary share	8	(1.64) p	1.24p

The above results arise from continuing operations

The notes on pages 45 to 70 form part of the financial statements

NORTHAMBER PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Share Capital	**Share Premium Account**	**Capital Redemption Reserve**	**Retained Earnings**	**Total Equity**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 July 2020	272	5,734	1,514	17,395	24,915
Dividends	-	-	-	(163)	(163)
Transactions with owners	-	-	-	(163)	(163)
Profit and total comprehensive income for the year	-	-	-	337	337
Balance at 30 June 2021	272	5,734	1,514	17,569	25,089
Dividends	-	-	-	(191)	(191)
Transactions with owners	-	-	-	(191)	(191)
Loss and total comprehensive income for the year	-	-	-	(447)	(447)
Balance at 30 June 2022	272	5,734	1,514	16,931	24,451

NORTHAMBER PLC
COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance at 1 July 2020	272	5,734	1,514	5,167	12,687
Dividends	-	-	-	(163)	(163)
Transactions with owners	-	-	-	(163)	(163)
Profit and total comprehensive loss for the year	-	-	-	338	338
Balance at 30 June 2021	272	5,734	1,514	5,342	12,862
Dividends	-	-	-	(191)	(191)
Transactions with owners	-	-	-	(191)	(191)
Loss and total comprehensive income for the year	-	-	-	(617)	(617)
Balance at 30 June 2022	272	5,734	1,514	4,534	12,054

NORTHAMBER PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Property, plant and equipment	9	6,919	7,079
Goodwill and intangible assets	11	1,309	1,365
		8,228	8,444
Current assets			
Inventories	12	10,649	8,468
Trade and other receivables	13	11,245	10,753
Cash and cash equivalents	14	4,696	7,449
		26,590	26,670
Total assets		**34,818**	**35,114**
Current liabilities			
Trade and other payables	15	(10,329)	(9,866)
Corporation tax payable		(38)	(159)
Total liabilities		**(10,367)**	**(10,025)**
Net assets		**24,451**	**25,089**
Equity			
Share capital	16	272	272
Share premium account		5,734	5,734
Capital redemption reserve		1,514	1,514
Retained earnings		16,931	17,569
Equity shareholders' funds attributable to the owners of the parent		**24,451**	**25,089**

The financial statements on pages 38 to 70 were approved by the Board of Directors on 17 November 2022 and were signed on its behalf by:

A.R. Lee
Director

J.P. Henry
Director

Company Registration number: 01499584

NORTHAMBER PLC
COMPANY STATEMENT OF FINANCIAL POSITION

At 30 June 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Property, plant and equipment	10	1,652	1,685
Investments	17	2,135	2,135
		3,787	3,820
Current assets			
Inventories	12	9,689	7,681
Trade and other receivables	13	11,525	11,168
Cash and cash equivalents	14	4,104	6,200
		25,318	25,049
Total assets		**29,105**	**28,869**
Current liabilities			
Trade and other payables	15	(17,051)	(15,997)
Corporation tax payable		-	(10)
Total liabilities		**(17,051**	**(16,007)**
Net assets		**12,054**	**12,862**
Equity			
Share capital	16	272	272
Share premium account		5,734	5,734
Capital redemption reserve		1,514	1,514
Retained earnings		4,534	5,342
Equity shareholders' funds attributable to the owners of the parent		**12,054**	**12,862**

The loss after tax for the individual parent company was £617,000 (2021: profit of £338,000)

The financial statements on pages 39 to 70 were approved by the Board of Directors on 17 November 2022 and were signed on its behalf by:

A.R.Lee
Director

J.P. Henry
Director

Company Registration number: 01499584

NORTHAMBER PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	**2022 £'000**	**2021 £'000**
Cash flows from operating activities			
Operating (Loss)/profit from continuing operations		(452)	377
Depreciation of property, plant and equipment	4	336	350
Amortisation of intangible assets		56	56
Profit on disposal of property, plant and equipment	4	(15)	(13)
Operating (loss)/profit before changes in working capital		(75)	770
(Increase) in inventories		(2,181)	(2,520)
(Increase) in trade and other receivables		(492)	(3,003)
Increase in trade and other payables		463	2,923
Cash used in operations		(2,285)	(1,830)
Income taxes paid		(120)	(1,302)
Net cash used in operating activities		(2,405)	(3,132)
Cash flows from investing activities			
Interest received		5	8
Proceeds from disposal of Property, plant and equipment		60	17
Purchase of property, plant equipment		(222)	(249)
Net cash used in investing activities		(157)	(224)
Cash flows from financing activities			
Dividends paid to equity shareholders	7	(191)	(163)
Interest Paid		-	-
Net cash used in financing activities		(191)	(163)
Net(decrease)/increase in cash and cash equivalents		(2,753)	(3,519)
Cash and cash equivalents at beginning of year	14	7,449	10,968
Cash and cash equivalents at end of year	14	4,696	7,449

NORTHAMBER PLC
COMPANY STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	**2022** **£'000**	**2021** **£'000**
Cash flows from operating activities			
Operating (Loss) /profit from continuing operations		(623)	340
Depreciation of property, plant and equipment		145	144
(Profit) on disposal of property, plant and equipment		(15)	-
Operating (loss) /profit before changes in working capital		(493)	484
(Increase) in inventories		(2,008)	(2,377)
Decrease/(increase) in trade and other receivables		(357)	(2,835)
Increase in trade and other payables		1054	6,464
Cash used in operations		(1,804)	1,736
Income taxes paid		(10)	-
Net cash used in operating activities		(1,814)	1,736
Cash flows from investing activities			
Interest received		5	8
Purchase of property, plant and equipment		(157)	(81)
Proceeds from disposal of property, plant and equipment		60	-
Net cash from investing activities		(92)	(73)
Cash flows from financing activities			
Dividends paid to equity shareholders		(191)	(163)
Net cash used in financing activities		(191)	(163)
Net(decrease)/ increase in cash and cash equivalents		(2,096)	1,500
Cash and cash equivalents at beginning of year		6,200	4,700
Cash and cash equivalents at end of year		4,104	6,200

1. General information

Northamber plc is a public limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange on the Alternative Investment Market. The address of the registered office is given on page 29. The nature of the company's operations and its principal activities are set out in the Strategic Report and the Directors' Report on pages 6 to 16.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost basis.

The financial statements cover the individual entity Northamber plc and two subsidiaries Anitass Limited and AVM Limited. All other subsidiaries are dormant and not material to the financial statements for the year to 30 June 2022 or 30 June 2021.

The Directors of Anitass Limited, the subsidiary of Northamber plc, have claimed audit exemption for the year ended 30 June 2022 under Section 479A (Subsidiary Companies) of the Companies Act 2006. The Board of Northamber plc have provided a guarantee on behalf of the Parent Company undertaking stating that it guarantees Anitass Limited under section 479C of the Companies Act 2006. Northamber Plc guarantees all outstanding liabilities to which Anitass Limited is subject at 30 June 2022 until they are satisfied in full and the guarantee is enforceable against Northamber plc by any person to whom the subsidiary company is liable in respect of those liabilities.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Northamber plc and entities controlled by Northamber plc. Control is achieved if all three of the following are achieved: power over the investee, exposure to variable returns for the investee, and the ability of the investor to use its power to affect those variable returns.

The results of subsidiaries are included in the consolidated statement of comprehensive income and consolidated statement of financial position.

The results of entities acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, the accounts of the subsidiaries are adjusted to conform to the group's accounting policies. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2. Significant accounting policies (continued)

New and amended standards adopted by the Group

The Group has applied the following new standards and interpretations for the first time for the annual reporting period ending 30 June 2022:

IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases (Amendments): Interest Rate Benchmark Reform - Phase 2
IFRS 16 Leases (Amendment): Covid19-related Rent Concessions Beyond 30 June 2021

The adoption of the standards and interpretations listed above has not led to any changes to the Group's accounting policies or had any material impact on the financial position or performance of the Group.

Standards issued but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in the financial statements, were in issue but were not yet effective.

IFRS amendments effective from 1 January 2022
IAS 16 Amendment: Property, Plant and Equipment: Proceeds before Intended Use
IAS 37 Amendment: Onerous Contracts: Cost of Fulfilling a Contract
IFRS 3 Amendment: Reference to the Conceptual Framework
Annual Improvements Cycle 2018 to 2020

IFRS standards effective from 1 January 2023 onwards
IAS 1 Amendment: Disclosure of Accounting Policies
IAS 8 Amendment: Definition of Accounting Estimates

IAS 1 Amendment: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
IAS 12 Amendment: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IFRS 16 (Amendment: Lease Liability in a Sale and Leaseback

The adoption of the above mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Group or Company's financial statements.

Critical accounting judgements and other key sources of estimation uncertainty

In the process of applying the Group's accounting policies, the Group is required to make certain estimates, judgements and assumptions that it believes are reasonable based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the periods presented.

On an ongoing basis, the Group evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may

2. Significant accounting policies (continued)

differ from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known. The Group believes that the estimates and judgements in relation to goodwill and intangible assets have the most significant impact on the annual results under IFRS as set out below.

Critical judgements in applying the Group's accounting policies

No critical judgements have been made during the financial year

Key sources of estimation uncertainty

Impairment of intangible assets including goodwill

Goodwill is not amortised but is subject, at a minimum, to annual tests for impairment or if there has been an indication of any impairment in the year. The initial goodwill recorded and subsequent impairment review require management to make subjective judgements concerning the value in use of cash-generating units. This requires an estimate of the future cash flows expected to arise from the cash-generating unit and a suitable discount rate to calculate present value. The carrying amount at the end of the reporting period is £1,308,000 and details of the assumptions made are provided in note 11. No impairment has been identified during the year or at year end.

Impairment of Investment – Parent entity

The Directors assess the recoverability of investments in subsidiaries at the reporting date by reference to the profitability and its net asset position. Impairment reviews require management to make subjective judgements concerning the future cash flows arising from the subsidiary. Estimates over the future cash flows are made by management. Where applicable, investments in subsidiaries are impaired down to the amount assessed as recoverable. Directors have made an estimate of the future cash flows expected to arise from the investment and a suitable discount rate to calculate present value. The carrying amount at the end of the reporting period is £2,135,000, the details of the assumptions made are provided in note 11 as these are the same as the goodwill impairment review. No impairment has been identified during the year or at year end.

The principal accounting policies adopted are set out below.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Nearly all the Group's revenues relate to the sale of goods, and the performance obligation under contracts with customers is satisfied on shipment of goods to the customer. Payment terms are varying between 30 and 90 days.

The Group has determined therefore that revenue on sale of goods is recognised at the date the delivery of goods to the customer leaves the warehouse. Revenue is recognised at a point in time.

The Group has a very small level of revenue from the provision of services, mainly assisting customers with the installation of equipment. The performance obligation in this case is satisfied on installation and is recognised as revenue at that point.

The company makes bill and hold sales, in which delivery is delayed at the buyer's request but the buyer takes title to and risk in the goods, and accepts billing. This is on the basis that (a) the reason for the bill-and-hold arrangement must be substantive (for example, the customer has requested the arrangement); (b) the product must be identified separately as belonging to the customer; (c) the product currently must be ready for physical transfer to the customer; and (d) the company cannot have the ability to use the product or to direct it to another customer. The revenue is recognised at the time of invoicing, which is also when the goods are identified and made ready for the buyer and despatched.

Revenues are stated after discounts, rebates, price reductions and provision for estimated levels of returns. Customers only have a right to return goods in accordance with contractual terms. Warranties are provided directly by the Group's suppliers to customers.

Investment revenue is accrued on a time basis in accordance with the effective interest rate method.

Foreign currencies

Transactions in currencies other than pounds sterling, the functional currency of all Group entities, are recorded at the rates of exchange prevailing on the date of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

Profit from operations

Profit from operations is stated before investment income and finance costs.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense in the period in which they are incurred. The Group has no defined benefit retirement schemes.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are substantively enacted in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax balances have not been discounted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Business combinations
The acquisition of subsidiaries and businesses is accounted for using the acquisition method.

Measurement of consideration
The consideration for each acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree.

Contingent consideration is initially measured at fair value at the date of the business combination. Any subsequent adjustment to this fair value (such as meeting an earnings target), where the consideration is payable in cash, is recognised in the consolidated statement of comprehensive income.

Fair value assessment
Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Where the fair value of the assets and liabilities at acquisition cannot be determined reliably in the initial accounting, these values are considered to be provisional for a period of 12 months from the date of acquisition. If additional information relating to the condition of these assets and liabilities at the acquisition date is obtained within this period, then the provisional values are adjusted retrospectively. This includes the restatement of comparative information for prior periods.

Goodwill arises where the cost of the business combination exceeds the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. This is recognised as an asset and is subject to impairment tests as noted in note 11.

Acquisition costs

Acquisition costs are recognised in the consolidated statement of comprehensive income as incurred and separately disclosed due to the nature of this expense.

Goodwill

Goodwill arising on consolidation is recognised as an asset.

Following initial recognition, goodwill is subject to impairment reviews, at least annually or if there is an indication of impairment, and measured at cost less accumulated impairment losses. Any impairment is recognised immediately in the consolidated statement of comprehensive income and is not subsequently reversed.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Other intangible assets

Other intangible assets are measured initially at cost and are amortised on a straight-line basis over their estimated useful lives.

The carrying amount is reduced by any provision for impairment where necessary.

On a business combination, as well as recording separable intangible assets already recognised in the balance sheet of the acquired entity at their fair value, identifiable intangible assets that are separable or arise from contractual or other legal rights are also included in the acquisition balance sheet at fair value.

Amortisation is charged within administrative expenses in the consolidated statement of comprehensive income so as to write off the cost or valuation of assets over their estimated useful lives, on the following basis:

Intangible assets arising on acquisitions

Brands	7 years straight line
Customer relationships	7 years straight line

Property, plant and equipment

Land and buildings are held for use in the production or supply of goods and services, or for administrative purposes and are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

Plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets less any residual value, other than land, over their estimated useful lives, using the straight line method, on the following bases:

Land and Buildings:	
Freehold premises(Northamber)	4% on freehold buildings, freehold improvements 25% straight line
Freehold premises(Anitass Ltd)	2.5% on freehold buildings, freehold improvements 25% straight line
Plant and equipment	25% straight line

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Material residual value estimates are updated as required, but at least annually.

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is on the FIFO basis and comprises finished goods and goods for resale. Net realisable value represents the estimated selling price less costs to be incurred in marketing, selling and distribution.

Cost of inventories is based on original cost as amended by credits subsequently received or agreed with suppliers in respect of specific products. The provision for obsolete and slow moving stock is determined by frequent and regular reviews of stock, its ageing and rate of sale. Provisions are made which enable such obsolete stock as not returned to suppliers and slow moving stock to be sold at no loss.

Investments

Investments in subsidiaries are held at cost less any provision for impairment.

Financial instruments

(i) Financial assets

The Group has one class of financial asset that is recorded at amortised cost as detailed below. These assets, which are held to collect, arise principally from the provision of goods and services to customers (e.g. trade receivables). Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach with IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. The probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Credit insurance is used for the large majority of trade receivables to mitigate against any potential risk of non-payment. The point at which the trade receivable is de-recognised and an insurance asset is recognised under IAS37 when the economic benefit arising from the claim is virtually certain.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group’s financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments.

(ii) Financial liabilities

The Group has one class of financial liability that is measured at amortised cost as detailed below.

Trade payables are initially recognised at fair value, net of any transaction costs directly attributable to the issue of the instrument and are subsequently measured at amortised cost using the effective interest method which ensures that any interest expense and associated finance costs over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purpose of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption as well as any interest payable while the liability is outstanding. Contingent deferred consideration is initially measured at fair value, with subsequent changes recorded at fair value through profit and loss.

Equity instruments

Equity instruments issued by the Company are recorded at fair value on initial recognition net of transaction costs.

Equity comprises the following:

Share Capital – represents the nominal value of equity shares.

Share Premium – represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Capital Redemption Reserve – represents the nominal value of shares which have been redeemed and cancelled.

Retained Earnings – represents all current and prior period retained profits and losses.

The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

Where the Company purchases the Company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs is deducted from equity attributable to the Company's equity holders until the shares are cancelled or re-issued.

Where shares are cancelled a corresponding transfer of the nominal value of the shares cancelled is made to the capital redemption reserve.

Capital management

The Group's capital comprises equity, and its objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and to maintain an optimal capital structure.

In order to manage the capital structure the Group can adjust the amount of dividends paid to shareholders, purchase the Company's shares, return capital to shareholders or issue new shares.

In line with Group policy, the Group has no external debt finance hence gearing is not measured. The company has paid final and interim dividends in the year.

Equity comprises the items detailed within the principal accounting policy for equity and financial details can be found in the statement of financial position. The company adheres to the capital maintenance requirements set out in the Companies Act 2006.

Going Concern basis

The going concern basis of preparing the financial statements has been adopted as in the view of the Directors, as set out in the notes on Corporate Governance, the company has adequate resources to continue in operational existence for the foreseeable future. Please see Corporate Governance Report for further information on Page 26.

Segmental reporting

Management has determined that there is only one operating segment of the Group as the total business of the company is the sourcing and distribution of computer related products and this is how information is reported to the Chief Operating Decision Maker. The Board in carrying out its strategic planning and decision making has, necessarily, to take consideration of the inter relatedness of the product range and the customer base and thus treat the operations of the Group as a whole. All decisions on the allocation of resources impacts on all aspects of the Group. Information presented to the Chief Operating Decision Maker is the same as is reported in these financial statements.

Leases

Leases of low-value assets or short-term leases are immediately expensed in profit or loss.

3. Revenue

Although the sales of the Group are predominantly to the UK there are sales to other countries and the following table sets out the split of the sales for the year. Revenue is attributed to individual countries based on the location of the customer.

Revenues comprise:	2022	2021
	£'000	£'000
Revenue from contracts with customers – UK	65,602	59,137
Revenue from contracts with customers – Non UK	658	872
	66,260	60,009

Revenue from contracts with customers comprises sale of goods which are recognised at a point in time and relate to electrical or electronic products. Service revenues are immaterial.

No customer accounted for more than 10% of the Group's revenue for the year.
All non-current assets are located in the country of domicile.

4. (Loss)/profit from operations

Operating (loss)/profit is stated after (crediting)/charging:

	2022 £'000	2021 £'000
Foreign exchange loss/ (profit)	164	(224)
Depreciation of property, plant and equipment	336	350
Amortisation of intangible assets	57	56
Fees paid to the company's auditor		
- for the audit of the company annual financial statements	78	70
- for the audit of subsidiary undertakings	17	15
Employee benefit expense	5,173	4,635

No profit and loss account for Northamber plc has been presented as permitted by Section 408 of the Companies Act 2006.

The retained Loss for the financial year dealt with in the financial statements of the parent company, Northamber plc, was £618,000 (2021: Profit of £181,000) and is stated after taxation. Gro

5. Staff costs

The average monthly number of persons (including executive Directors) employed by the Group and company during the year was:

	2022 Number	2021 Number
Sales	61	55
Administration	36	32
Warehouse	13	14
Engineering	1	1
	111	102

	2022 £'000	2021 £'000
Their aggregate remuneration comprised:		
Staff costs:		
Wages and salaries	4,514	4,086
Social security costs	520	435
Pension costs	111	90
Other benefits	28	24
	5,173	4,635

All pension costs relate to defined contribution schemes.

Included in the above is key management personnel compensation as set out below. Full details of director's remuneration are set out in the Report to Shareholders by the Board of Directors' Remuneration on page 18. The company has identified the key management personnel as the executive and Non-Executive Directors and all their remuneration received amounts to short-term employment benefits except for pension contributions.

	2022 £'000	2021 £'000
Remuneration		
Salaries and Fees	347	294
Social security costs	34	29
Pension costs	30	19
Benefits	32	28
	443	370

6. Tax on profit on ordinary activities

	Group	
	2022 £'000	2021 £'000
Current taxation		
Charge for the year	-	48
	-	48

The charge for the year can be reconciled to the profit per the Statement of comprehensive income as follows:

	Group	
	2022	**2021**
	£'000	**£'000**
(Loss)/profit on ordinary activities before tax	(447)	385
Tax at the UK corporation tax rate of 19.00% (2021:19.00%)	(85)	73
Profit on disposal of fixed assets	-	(2)
Capital gain	-	-
Non-deductible expenses	23	38
Sundry items	-	-
Use of post April 2017 losses brought forward	-	(61)
Loss available to carry forward	62	-
Total actual amount of charge for the year	-	48

The corporation tax rate for the year ended 30 June 2022 was 19%. During the year, it was announced in the Budget on 3 March 2021 the rate of corporation tax would be increased to 25% with effect from 1 April 2023. The effect of this change would not be material. Legislation was enacted on 24 May 2021 in the Finance Bill 2021.

The Group has tax losses of £3.7 million (2021: £3.4 million) to carry forward. No deferred tax asset is recognised in respect of the losses.

7. Dividends

Amounts recognised as distribution to equity holders in the period:

	2022		**2021**	
Dividends paid in year	**Pence Per Share**	**£'000**	**Pence Per Share**	**£'000**
Final – for year ended 30 June 2021 and 30 June 2020	0.40	109	0.30	82
Interim – for year ended 30 June 2022 and 30 June 2021	0.30	82	0.30	81
	0.70	191	0.60	163
Proposed final for the year ended 30 June 2022 and 30 June 2021	0.30	82	0.40	109

The proposed final dividend is subject to approval at the Annual General Meeting and has not been included as a liability in these financial statements.

8. Profit per ordinary share

The calculation of the basic and diluted earnings per share is based on the following data:

	2022 £'000	2021 £'000
(Loss)/Profit for the year attributable to equity holders of the parent company	(447)	337

Number of shares	2022 Number	2021 Number
Weighted average number of ordinary shares for the purpose of basic earnings per share and diluted earnings per share	27,231,586	27,231,586

Basic and diluted earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Net assets per share, as disclosed within the summary of the last five years of trading, is calculated by dividing the net assets as disclosed in the consolidated statement of financial position by the number of ordinary shares in issue at the year end.

9. Property, plant and equipment

	Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Group			
Cost			
At 1 July 2020	7,474	1,172	8,646
Additions	-	249	249
Disposals	-	(33)	(33)
At 30 June 2021	7,474	1,388	8,862
Depreciation			
At 1 July 2020	1,099	363	1,462
Depreciation charge for the year	142	208	350
Disposals	-	(29)	(29)
At 30 June 2021	1,241	542	1,783
Net book value at 30 June 2021	**6,233**	**846**	**7,079**

	Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Group			
Cost			
At 1 July 2021	7,474	1,388	8,862
Additions	-	222	222
Disposals	-	(66)	(66)
At 30 June 2022	7,474	1,544	9,018
Depreciation			
At 1 July 2021	1,241	542	1,783
Depreciation charge for the year	141	195	336
Disposals	-	(20)	(20)
At 30 June 2022	1,382	717	2,099
Net book value at 30 June 2022	**6,092**	**827**	**6,919**

10. Property, plant and equipment

Company	Land and Buildings £'000	Plant and Equipment £'000	Total £'000
Cost			
At 1 July 2020	2,574	539	3,113
Additions	-	81	81
Disposals	-	(29)	(29)
At 30 June 2021	2,574	591	3,165
Depreciation			
At 1 July 2020	1,059	306	1,365
Depreciation charge for the year	56	88	144
Disposals	-	(29)	(29)
At 30 June 2021	1,115	365	1,480
Net book value at 30 June 2021	**1,459**	**226**	**1,685**

Cost			
At 1 July 2021	2,574	591	3,165
Additions	-	157	157
Disposals	-	(66)	(66)
At 30 June 2022	2,574	682	3,256
Depreciation			
At 1 July 2021	1,115	365	1,480
Depreciation charge for the year	56	88	144
Disposals	-	(20)	(20)
At 30 June 2022	1,171	433	1,604
Net book value at 30 June 2022	**1,403**	**249**	**1,652**

11. Goodwill and intangible assets

	Goodwill £000	Brands £000	Customer Relationships £000	Total £000
Cost				
At 30 June 2021 and 30 June 2022	**1,025**	**63**	**333**	**1,421**
Amortisation and impairment				
At 1 July 2020 and 2021	-	(9)	(47)	(56)
Amortisation during the year	-	(9)	(47)	(56)
At 30 June 2022	**-**	**(18)**	**(94)**	**(113)**
Carrying Amount				
At 30 June 2022	**1,025**	**45**	**239**	**1,309**
At 30 June 2021	1,025	54	286	1,365

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is based on a value in use calculation using cash flow projections over a 5-year period, including the latest one year forecast approved by the Board. The one year forecast is prepared considering expectations based on market knowledge, and financial performance since the date of acquisition. The remaining years are based on anticipated sales over an economic cycle, together with historical financial performance. A terminal value using a 5-times EBITDA multiple is used as the basis for the final year.

Key assumptions used in value in use calculation

The key assumptions for the value in use calculation are those regarding:

- pre-tax discount rate;
- revenue;
- gross profit margins; and
- operating profit margins.

Pre-tax discount rate

The Group's post-tax weighted average cost of capital has been used to calculate a Group pre-tax discount rate of 22.5%, which reflects current market assessments of the time value of money for the period under review and the risks specific to the Group.

Revenue

Revenue assumptions in the one year forecast are derived from expectations based on market knowledge, and the financial performance since the date of acquisition. Future year revenue levels are based on anticipated opportunities over an economic cycle. The average number of opportunities over the period is in line with historical levels.

The Audio Visual market has been impacted in the past 2 years by Covid-19, However management are expecting revenue to return to pre-Covid-19 levels over the next 12-18 months. Once normal trading has returned, management's forecasts are based on the business plan when the business was acquired.

Gross profit margins

The gross profit growth rate used in Year 1 is 15.8% and thereafter the average annual gross margin growth rates are 10.2%. With the opening up of trade events and exhibitions following the pandemic AVM Limited expects its high margin rental business to increase back to pre-covid levels in the next 12-18 months.

Gross profit margin percentages over the extrapolation period are 20%, which is based on historical financial performance and expectations of future market developments.

Operating profit margins

Operating profit margins in the one year forecast are derived from the expected gross margin and the overhead cost base.

Operating profit margins average 5.9% over the period.

Sensitivity to changes in assumptions

There is headroom in the value in use calculation compared to the carrying value of the CGU. AVM has a recoverable amount of £2.7 million (2021: £2.45 million) exceeds its carrying amount by £0.6 million (2021: £0.35 million).

If any one of the following changes were made to the above key assumptions, the carrying amount and recoverable amount would be equal.

- Discount rate increase from 22.5% to 31%
- Gross margin falls to 17.44% each year on the above revenue growth rates
- If operating margins fall to 3.92% each year on the above revenue growth rates

12. Inventories

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Goods for resale	10,649	8,468	9,689	7,681

Cost of sales include £57,791,000 (2021: £52,200,000) inventory expensed in the year's statement of comprehensive income. An impairment charge of Nil is recognised in cost of sales (2021: Nil). A provision against slow moving stock has been included amounting to £284,000 (2021: £234,000).

13. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade receivables	10,566	10,531	9,882	10,144
Less provision for impairment of receivables	(330)	(268)	(312)	(250)
Net trade receivables	10,236	10,263	9,570	9,894
Intercompany receivables	-	-	1,006	824
Prepayments and other receivables	1,009	490	949	450
	11,245	10,753	11,525	11,168

The Directors do not consider the fair value of trade and other receivables to be significantly different from their carrying values. The Directors have used historical experience of collecting receivables, supported by the level of default (non-payment from customer), together with forward looking information to determine that credit risk is very low.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are assessed based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced over the three year period prior to the year end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. Credit insurance forms a key part of the credit risk management strategy.

Trade receivables that are more than three months past due are reviewed for impairment on an individual basis including consideration of previous payment history and the ongoing relationship with the customer.

Trade receivables older than credit terms

Ageing of past due receivables are as follows:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
0-30 days past due	218	142	143	115
30 - 60 days past due	66	17	32	16
60 - 90 days past due	28	4	28	4
90+ days past due	442	353	442	353

Trade and other receivables impairment provision

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Balance at beginning of period	268	291	250	268
Amounts written off as uncollectable	-	(42)	-	(42)
Increase in impairment loss provision	62	19	62	24
	330	268	312	250

At 30 June 2022 the Group's total lifetime credit loss provision was £330,000, of which trade receivables of £287,000 had lifetime expected credit losses of the full value of the receivables.

At 30 June 2022 the Company's total lifetime credit loss provision was £312,000, of which trade receivables of £282,000 had lifetime expected credit losses of the full value of the receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Credit risk is deemed a risk due to default in payment. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. Receivables are written off where it is considered there is no chance of recoverability generally due to the cessation of trade of a customer.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, credit insurers recommendations and industry information.

Sale limits are established for each customer and reviewed regularly. Any sales exceeding those limits require approval. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one and three months.

The Group uses credit insurance to mitigate against any potential risk of non-payment.

14. Cash and cash equivalents

	Group		Company	
	2022	**2021**	**2022**	**2021**
	£'000	**£'000**	**£'000**	**£'000**
Bank balances and cash in hand	4,696	7,449	4,104	6,200
Cash and cash equivalents in statement of cash flows	4,696	7,449	4,104	6,200

15. Trade and other payables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade payables	8,293	7,595	7,586	7,051
Inter company payables	-	-	7,467	6,904
Other payables	79	90	46	41
VAT	1,319	1,416	1,359	1,334
Other tax and social security	162	148	150	127
Accruals and deferred income	476	617	443	540
	10,329	9,866	17,051	15,997

The financial liabilities shown above are those which were outstanding at 30 June 2022. The average credit period taken for trade payables is 42 days (2021: 44 days).

The Directors consider that the fair values of trade and other payables are not materially different from those disclosed above. Trade payables are not interest bearing.

The liquidity in trade and other payables is managed by the company through the management of its cash resources as referred to in the Strategic Report, to ensure that for all practical purposes' creditors are paid in accordance with the credit terms agreed with the suppliers.

16. Share capital

	Group and Company	
	Number	£'000
Authorised shares of 1p each		
At 30 June 2022 and 2021	80,000,000	2,000
Issued and fully paid shares of 1p each		
At 30 June 2022 and 2021	27,231,586	272

The company has one class of ordinary shares which carry no right to fixed income.

17. Investment in Group companies

Company	**2022**	**2021**
	£'000	**£'000**
Cost		
At 1 July	2,135	2,135
Addition	-	-
At 30 June	2,135	2,135

An impairment review has been undertaken at the end of the financial year as required under IAS36: Impairment of assets. See note 11 for the assumptions and sensitivity analysis.

In the opinion of the Directors, the value of the company's investments is not less than the amount included in the company statement of financial position.

Name	Country of Incorporation	% owned	Status
Anitass Limited	England	100	Operational
Audio Visual Material Limited	England	100	Operational
Solution Point Limited	England	99	Dormant
Solution Technology Limited	England	100	Dormant
Thripple-Thrift Limited	England	100	Dormant

The registered office of all of these companies is detailed on page 29.

18. Capital commitments

There were no capital commitments at 30 June 2022 (2021: £Nil).

19. Related party transactions

Mr A.M. Phillips is the ultimate controlling party of the company.

During the year, the company paid £300,000 (2021: £300,000) rent to Anitass Limited, a wholly owned subsidiary. At the year- end Northamber plc owed Anitass Limited £7,467,000 (2021: £6,904,000).

During the year, the company received £46,500 (2021: £46,500) rent and £66,000 (2021: £93,000) management charge from Audio Visual Material Limited "AVM", a wholly owned subsidiary.

During the year AVM purchased £640,000(2021:432,000) worth of goods from Northamber Plc and Northamber Plc purchased £639,000(2021:£96,000) worth of goods from AVM. AVM owed £831,000 (2021: £824,000).

20. Events after the reporting date

Since the end of the financial year, the Board took the decision to relocate AVM into leased premises and to sell the freehold office where they are based. Contracts have been exchanged for the sale of the office and completion is scheduled to occur on 28 November 2022. The consideration will be £1.48m, before costs, payable in cash, against a net book value of £1.43m. The net proceeds will be added to the Group's cash reserves.

21. Contingent liabilities

In order for the Company's subsidiary, Anitass Limited, to take the audit exemption in section 479A of the Companies Act 2006, the Company has guaranteed all outstanding liabilities of that subsidiary company. at 30 June 2022 until those liabilities are satisfied in full.

22. Financial instruments exposure

Trade and other receivables, cash and cash equivalents, and trade and other payables are measured at amortised cost. The accounting policies applied are set out in note 2. The carrying amounts of financial assets and liabilities as at 30 June 2022 are categorised below.

The interest rate exposure of the financial assets and liabilities of the Group and company as at 30 June 2021 is shown in the table below. The table includes trade receivables and payables as these do not attract interest and are therefore subject to fair value interest rate risk.

Based on exposure at the reporting date, currency movements are not considered likely to have a material effect on profits or equity.

Note 15 above refers to further matters relating to credit risk as does the Strategic Report under the heading of Financial Risk.

	Floating £'000	Zero £'000	Total £'000
Group – Year ended 30 June 2022			
Financial assets at amortised cost			
Cash and cash equivalents:			
Sterling	4,368	-	4,368
US Dollars (Sterling equivalent)	144	-	144
Euros (Sterling equivalent)	184	-	184
Trade and other receivables	-	9,884	9,884
Total	4,696	9,884	14,580

	Floating £'000	Zero £'000	Total £'000
Financial liabilities at amortised cost			
Trade payables:			
Sterling	-	5,722	5,722
US Dollars (Sterling equivalent)	-	1,636	1,636
Euros (Sterling equivalent)	-	563	563
Other payables	-	79	79
Total	-	8,000	8,000

	Floating £'000	Zero £'000	Total £'000
Group _ Year ended 30 June 2021			
Financial assets at amortised cost			
Cash and cash equivalents:			
Sterling	5,931	-	5,931
US Dollars (Sterling equivalent)	1,098	-	1,098
Euros (Sterling equivalent)	420	-	420
Trade and other receivables	-	10,263	10,263
Total	7,449	10,263	17,712

	Floating £'000	Zero £'000	Total £'000
Financial liabilities at amortised cost			
Trade payables:			
Sterling	-	5,736	5,736
US Dollars (Sterling equivalent)	-	1,435	1,435
Euros (Sterling equivalent)	-	423	423
Other payables	-	90	90
Total	-	7,684	7,684

	Floating £'000	Zero £'000	Total £'000
Company – Year ended 30 June 2022			
Financial assets – at amortised cost			
Cash and cash equivalents:			
Sterling	3,776	-	3,776
US Dollars (Sterling equivalent)	144	-	144
Euros (Sterling equivalent)	184	-	184
Trade and other receivables	-	9,197	9,197
Total	4,104	9,197	13,301

	Floating £'000	Zero £'000	Total £'000
Financial liabilities at amortised cost			
Trade payables:			
Sterling	-	4,839	4,839
US Dollars (Sterling equivalent)	-	1,636	1,636
Euros (Sterling equivalent)	-	563	563
Inter Company payables		6,636	6,636
Other payables	-	46	46
Total	-	13,720	13,720

The Directors estimate that an increase or decrease in annual average interest rates of 0.5% would increase/decrease profit before tax by approximately £30,000 (2021: £46,000).

	Floating £'000	Zero £'000	Total £'000
Company – Year ended 30 June 2021			
Financial assets – at amortised cost			
Cash and cash equivalents:			
Sterling	4,682	-	4,682
US Dollars (Sterling equivalent)	1,098	-	1,098
Euros (Sterling equivalent)	420	-	420
Trade and other receivables	-	9,894	9,894
Total	6,200	9,894	16,094

	Floating £'000	Zero £'000	Total £'000
Financial liabilities at amortised cost			
Trade payables:			
Sterling	-	5,193	5,193
US Dollars (Sterling equivalent)	-	1,435	1,435
Euros (Sterling equivalent)	-	423	423
Inter Company payables		6,080	6,080
Other payables	-	41	41
Total	-	13,172	13,172

Maturity of Financial Instruments

All financial liabilities are classified as current and are due within 60 days.

There is no material difference between the fair value and book value of financial instruments.

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Northamber plc will be held at the Company's offices at Namber House, 23 Davis Road, Chessington, Surrey, KT9 1HS on 21 December 2022 at 2 pm for the following purposes:

1. To receive and adopt the company's accounts for the year ended 30 June 2022 and the Directors' and auditors' reports thereon.
2. To propose the following ordinary resolution: That the Directors' remuneration report for the year ended 30 June 2022 be received and approved.
3. To declare a dividend on the ordinary shares of the company.
4. Re-elect Mr John Henry as a director.
5. To elect Mr Peter Dosanjh as a director.
6. To re-appoint Mazars LLP as auditors and to authorise the Directors to fix their remuneration.

ORDINARY RESOLUTION

7. THAT, the Directors be generally and unconditionally authorised to allot equity securities (as defined by Section 560 of the Companies Act 2006 (the "Act"), up to an aggregate nominal amount of £90,771(such amount to be reduced by the nominal amount of any Relevant Securities allotted under paragraph 10 below) in connection with an offer by way of a rights issue:

   (a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
   (b) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange.

SPECIAL RESOLUTIONS

8. THAT, the Directors be authorised to allot equity securities pursuant to Resolution 8 above up to an aggregate nominal amount of £27,231 as if Section 561 of the Act (existing shareholders' rights of pre-emption):

   (a) did not apply to the allotment, or
   (b) applied to the allotment with such modifications as the Directors may determine
   (c) provided that this authority shall, unless renewed, varied or revoked by the company, expire on the 18 March 2023 or, if earlier, the date of the next Annual General Meeting of the company save that the company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

9. THAT the company be and is hereby unconditionally and generally authorised to make market purchases (within the meaning of Section 693(4) of the Act of ordinary shares of 1p in the capital of the company, provided that:

   (a) the maximum number of shares hereby authorised to be acquired is 2,723,158 representing 10 per cent of the present issued share capital;
   (b) the minimum price which may be paid for such shares is 1p per share (exclusive of all expenses);

(c) the maximum price which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount (exclusive of expenses) equal to 105 per cent of the average middle market quotations of the ordinary shares of the company as derived from the Daily Official List of The London Stock Exchange on the 10 dealing days immediately preceding the day on which the shares are contracted to be purchased;

(d) the authority hereby conferred shall (subject to sub-clause (e) below) expire on the date of the next Annual General Meeting of the company after the passing of this resolution; and

(e) the company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will, or may be, executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of any such contracts.

By Order of the Board

S. Yoganathan
Company Secretary

Registered Office:
Namber House
23 Davis Road,
Chessington,
Surrey,
KT9 1HS

Notes:

(1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him or her. A proxy need not be a member of the company. Completion and return of a form of proxy will not prevent a member from attending and voting at the meeting.

(2) The instrument appointing a proxy and the power of attorney (if any) under which it is signed must be deposited at the offices of the registrars of the company, not less than forty-eight hours before the time of the meeting.

(3) There will be available for inspection at the registered office of the company during normal business hours from the date of this Notice until the date of the Annual General Meeting and, at the place of the Annual General Meeting, from at least fifteen minutes prior to and until the conclusion of the Annual General Meeting:

(a) copies of the executive Directors' service agreements with the company;
(b) the Register of Directors' Interests;
(c) a copy of the current Articles of Association of the Company.


NORTHAMBER

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