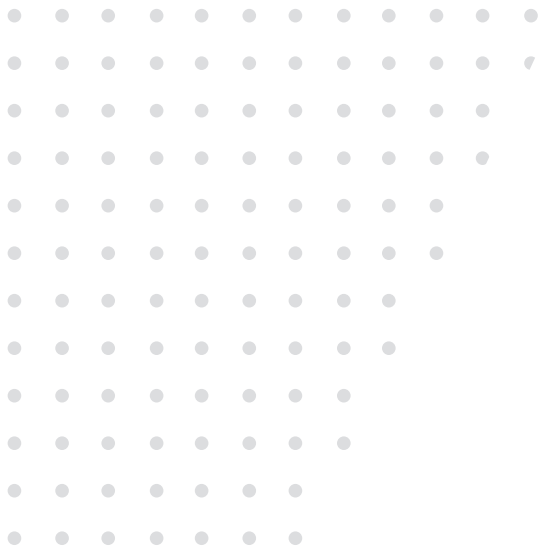


# REPORT & ACCOUNTS

Full results for the year ended 30th June 2023





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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 ended 30 June				
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Revenue	67,149	66,260	60,009	52,835	50,329
(Loss)/Profit before tax	(411)	(447)	385	9,925	(598)
(Loss)/Earnings per share	(1.51)p	(1.64)p	1.24p	31.16p	(2.17)p
Net Assets per share	87.7p	89.8p	92.1p	91.5p	60.8p
Dividends paid per share (net)	0.6 p	0.7 p	0.6p	0.2p	0.2p

## **NORTHAMBER PLC CHAIRMAN'S STATEMENT**

### **Results**

Against a challenging backdrop, we are pleased to share that we have continued to grow revenue year on year by £890k from £66.26m to £67.15m whilst also growing gross margins from 12.8% to 13.3%. This served to generate a continued increase in gross margins of £0.43m year on year to £8.91m (5% increase year on year) and reflected our continued focus on evolving our product mix towards higher margin, more technical products through Northamber and AVM.

As mentioned in my last statement, we expanded our Audio Visual (AV) unit into Unified Communications and Collaborations (UC&C) during the first half of the year with a new partnership with Yealink who are a significant brand in the Microsoft Teams Room and Zooms room space. This new partnership allowed us to access a significant new UC&C market for our existing reseller customers as well as bring existing products from our Audio Visual and Infrastructure Solutions business units to a wider market. The addition of ViewSonic in H2 to our Audio Visual Business Unit also helped provide growth opportunities.

Despite sales and gross margin growth for the year, performance in some of our focus areas remained impacted by softer demand due to deferred purchasing decisions by some end users as they chose to defer non essential spend in the face of inflationary pressures and continuing economic uncertainty. Our strategy remains to focus on building the best Proactive, Technical distribution company in our focus technology areas of Audio Visual, Network Security & Infrastructure, Document Management & Peripherals as we remain confident we can deliver significant long term value and growth in these segments for our partners and shareholders.

Inflationary pressures combined with our continued investment in developing the team for our growth ambitions led to distribution costs increasing from £5.6m to £5.9m. Likewise, our administration costs increased from £3.4m to £3.5m due to inflationary pressures. Some of these cost increases we would hope to be non-recurring or reduced moving forward such as an exceptional £110k bad debt write off for the year (up from £62k prior year), £110k for Electricity and Gas (up from £66k prior year and despite the Company installing solar panels at our Swindon Warehouse at the start of the fiscal year) and cost of living pressure on wages (£6.15m up from £5.67m).

It is frustrating that inflationary factors increasing distribution and administration costs have impacted the Group despite Gross Margin growth. The Group remains committed to proactively working to reduce these costs as best it can.

As part of our focus on profitable scalability and efficiency drive, after the period end, the Group implemented a new company wide ERP system at a committed capital investment of £278k. Whilst this new system will cause some initial disruption in H1 FY24 whilst it is rolled out in a phased approach across the half, this new system will allow us to drive a stronger customer experience and better efficiency with automation so we would hope to see a positive impact from this in H2 FY24 and onwards.

The net effect of these results were that Earnings Before Tax Amortisation and Depreciation but After Interest was a modest £3k profit, compared with a loss of £54k the prior year. At an operating level this delivered a loss before tax for the year of £411k versus a loss of £447k 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 remain diligent in managing our balance sheet and were pleased to be able to remain debt free. Cash reserves at year end increased to £5.6 million from £4.7 million at 30 June 2022. This focus on cash levels together with stronger interest rates available

**NORTHAMBER PLC**  
**CHAIRMAN'S STATEMENT (continued)**

yielded a benefit of £81k of interest, up from £5k the prior year. We look to balance the value of cash in the bank with the need to provide flexible stock for our partners and consciously review this on an ongoing basis. Tied to this approach, we disposed of an office building in Lightwater in H1 that was no longer core to our operation for a consideration of £1.48 million and moved Audio Visual Material Ltd into a new leased office together with our Audio Visual business unit in Basingstoke.

With Net Assets at £23.9 million, including two unencumbered freehold properties, the Group's overall financial position remains very sound.

Net Assets at 87.7p per share are considerably in excess of the average price of the ordinary shares throughout the period.

**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 stood down as a non-executive director with effect from 31 December 2022.

**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 19 January 2024 to shareholders on the register as at 15 December 2023.

**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.

We were pleased to be able to roll out a Company Share Ownership Plan as a long term incentive for all staff in July 2023 (post year end), and see this as a way of rewarding the team who make an impact and drive our results

**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**  
**15 November 2023**

## **NORTHAMBER PLC**

### **STRATEGY AND PERFORMANCE**

The Directors present their strategic report on the Group for the year ended 30 June 2023.

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.

**NORTHAMBER PLC**  
**STRATEGY AND PERFORMANCE (continued)**

3. Key Performance Indicators (KPI's)

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:-

<b>KPI</b>	<b>Format</b>	<b>2022-23</b>	<b>2021-22</b>
Revenue	£m	67.15	66.26
Gross Profit Percentage Margin	%	13.26	12.78
Net Assets per share	Pence	87.7	89.8
Working Capital Ratio * <sup>1</sup>	Times	2.20	2.59

\*<sup>1</sup> 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 1.34% to £67.15 million compared with last year with an increase in gross margin of 5% from £8.47 million to £8.9 million.

Our cash balance at the end of the financial year was £5.5 million increased from £4.7 million.

Some 23.1% of the Net Assets comprise the carrying value of freehold properties, 23.1% cash and the balance working capital. The Net Assets were 87.7p per share (2022: 89.8p 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, equity, 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.



## **NORTHAMBER PLC**

### **STRATEGY AND PERFORMANCE (continued)**

#### 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.

## **NORTHAMBER PLC**

### **STRATEGY AND PERFORMANCE (continued)**

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 26. 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.

#### **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**

As per note 20 to the accounts the Company introduced a Company Share Ownership Scheme in July 2023.

## **NORTHAMBER PLC STRATEGY AND PERFORMANCE (continued)**

### **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 6 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.

Following the periods of lockdown and subsequent home working in previous financial years, the Group have adopted a hybrid working approach during the year for office based employees with employees required to attend the office on Tuesdays, Wednesdays and Thursdays and working from home on Mondays and Fridays. We also have a number of remote workers. We believe this flexible approach maximises efficiency and allows us to attract the talent required regardless of location. We have continued to ensure that our employees have appropriate equipment to enable them to operate efficiently when working from home and that they have the collaboration tools to enable continued communication and interaction across the business and between colleagues.

The Group's financial performance is communicated regularly by the chairman.

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.

**NORTHAMBER PLC**  
**STRATEGY AND PERFORMANCE (continued)**

**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 constantly 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.

**Acquisitions**

There were no acquisitions made during the reporting period.

**Governance**

The Board believes that it 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

P Dosanjh  
**Director**  
**15 November 2023**

## **NORTHAMBER PLC**

### **REPORT OF THE DIRECTORS**

The Directors have pleasure in presenting their report and the accounts for the year ended 30 June 2023.

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 which 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 2023.

#### **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 19 to 26 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 2023

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Ordinary dividends		
Previous year's final dividend paid	82	109
Interim paid	81	82
	<u>163</u>	<u>191</u>

The final proposed dividend of 0.3p (2022: 0.3p) will be paid on 19 January 2024 to all members on the register at the close of business on 15 December 2023.

#### **Directors**

Directors of the company who have served at any time during the year are listed on page 28.

#### **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.

## **NORTHAMBER PLC**

### **REPORT OF THE DIRECTORS (continued)**

#### **Share Capital**

At 30 June 2023, the company had 27,231,586 (2022: 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 6 November 2023.

	Ordinary Shares of 1p each
Mr A.M. Phillips	63.00%
Herald Investment Management Limited	7.37%
Worsley Investors Limited	5.02%
Mr & Mrs J .Rockliff	3.68%
Mrs F.Phillips	3.01%

#### **Purchase of Own Shares**

At the end of the year, the Directors had authority, under the shareholders' resolutions of 21 December 2022 to purchase through the market 2,723,158 (2022: 2,723,158) of the company's ordinary shares at prices ranging between 1p and 105% (2022: 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 20 December 2023, the date of the next Annual General Meeting.

#### **Auditors**

In May 2023, Dains Audit Limited were appointed as the Group's new external auditor, to commence their work with the audit of the financial statements for the year ended 30 June 2023. Simultaneously, Mazars LLP resigned by notice to the Group under section 516 of the Companies Act 2006 and has confirmed that there are no matters connected with their resignation which they consider need to be brought to the attention of the members or creditors of the Group for the purposes of section 519 of the Companies Act 2006. A resolution to reappoint Dains Audit Limited 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.

**NORTHAMBER PLC**  
**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 2023		To 30 June 2022		Notes
	Consumption	Greenhouse Gas (GHG) Emissions (tCO <sub>2</sub> e)	Consumption	Greenhouse Gas (GHG) Emissions (tCO <sub>2</sub> e)	
<i>Electricity</i>	194.0, MWH	40	212.0, MWH	49	Electricity consumed relates to routine office and warehouse power requirements
<i>Gas</i>	79.7, MWH	15	355.6, MWH	72	Gas used to fuel heating and hot water boilers in office and warehouse locations
	<b>TOTAL</b>	55		121	

*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<sub>2</sub>e figure we have taken our overall electricity usage for the year to which a kgCo<sub>2</sub>e factor of 0.207074 was applied, being the UK Government’s Conversion Factor 2023 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<sub>2</sub>e figure we have taken our overall gas usage for the year to which a kgCo<sub>2</sub>e factor of 0.18293 was applied, being the UK Government’s Conversion Factor 2023 for this sort of natural gas use. During the year the company actively installed solar panels in its warehouse and has now moved away from any gas power.
- 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<sub>2</sub>e per total £m sales revenue during the year to 30 June 2023: 1.1 (2022: 1.8).

*Energy Efficiency Activity*

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

## **NORTHAMBER PLC REPORT OF THE DIRECTORS (continued)**

### **Customers and Suppliers**

The Directors foster and maintain strong relationships with customers and suppliers as set out in the s172 Report on pages 11 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**  
**15 November 2023**



# **NORTHAMBER PLC**

## **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 (until 31 December 2022) 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 in the year ended 30 June 2023.

### **Contracts of Service**

The four executive Directors, Mr A.M. Phillips, Mr J.P. Henry, Mr A.R. Lee and Mr P. Dosanjh, have service contracts. All four 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
Mr P. Dosanjh	- 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.

**NORTHAMBER PLC**  
**REPORT TO SHAREHOLDERS BY THE BOARD ON DIRECTORS’**  
**REMUNERATION (continued)**

**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**

	<b>Salaries and Fees</b>		<b>Benefits</b>		<b>Pension</b>		<b>Total</b>	
	2023	2022	2023	2022	2023	2022	2023	2022
	£’000	£’000	£’000	£’000	£’000	£’000	£’000	£’000
<b>Executive</b>								
Mr P.Dosanjh (Appointed on 1 July 2022)	114	-	-	-	1	-	115	-
Mr J.P. Henry	100	100	13	14	10	10	123	124
Mr A.M. Phillips	33	50	7	8	10	10	50	68
Mr A.R. Lee	100	100	11	10	10	10	121	120
<b>Non-Executive</b>								
Mr G.P. Walters(resigned on 31 December 2022)	10	20	-	-	-	-	10	20
Mr C.M. Thompson	61	57	-	-	-	-	61	57
Mr R. G. Reggio	20	20	-	-	-	-	20	20
	<u>438</u>	<u>347</u>	<u>31</u>	<u>32</u>	<u>31</u>	<u>30</u>	<u>500</u>	<u>409</u>

The amounts above include £41,000 for IT consultancy fees paid to C Thompson (2022: £37,000). For the year ended 30 June 2023 Mr A.M. Phillips has waived £67,000 of his salary (2022: £50,000).

Directors in office at 30 June 2023 had the following beneficial interests in the shares of the company: Ordinary Shares of 1p each

	<b>30 June 2023</b>	<b>30 June 2022</b>
Mr A.M. Phillips	17,154,874	17,154,874
Mr J.P. Henry	-	-
Mr A.R. Lee	-	-
Mr R. Reggio	-	-
Mr P.Dosanjh	1000	-
Mr C.M. Thompson	14,500	14,500

Between 30 June 2023 and 6 November 2023 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 6 November 2023 was 45.5p. The range of market prices during the year was 51.5 p to 35.0p.

S. Yoganathan ACMA.  
By order of the Board  
15 November 2023

## **NORTHAMBER PLC 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](http://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 Group's strategy is set out in full on page 7. 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, 82.08% of the shares are held by five parties, of which Alexander Philips holds 63.00%, leaving only 17.92% 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.

#### **Consider wider stakeholder and social responsibilities**

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.

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.

## **NORTHAMBER PLC CORPORATE GOVERNANCE (continued)**

### **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 8 to 10. 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 4 executive and 2 independent Non-Executive Directors.

The biographies of the Directors are set out on page 28. 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 & 23.

## **NORTHAMBER PLC**

### **CORPORATE GOVERNANCE (continued)**

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 23.

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.

#### **Evaluate Board performance**

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 UK 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.

## **NORTHAMBER PLC CORPORATE GOVERNANCE (continued)**

### **Governance Structures and Processes**

The Corporate Governance structure and processes are set out on pages 19 to 26.

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.

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 18.

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 four executive and two Non-Executive Directors (three up to 31 December 2022). Biographical details of each director in office during the year appear on page 28.

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.

## NORTHAMBER PLC CORPORATE GOVERNANCE (continued)

### 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 28, 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	4	4
Mr John Phelim Henry	4	4
Mr Antony Richard Lee	4	4
Mr Colin Mark Thompson	4	4
Mr Peter Dosanjh	4	4
Mr Riccardo Reggio	4	4
Mr Geoffrey Paul Walters (resigned 31 December 2022)	1	1

### Audit Committee

The Audit Committee, currently chaired by Mr Riccardo Reggio, comprised the two 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.

## **NORTHAMBER PLC CORPORATE GOVERNANCE (continued)**

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.

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 2022 annual report and financial statements and the December 2022 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 2022 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 appoint the external auditors Dains Audit Limited following a competitive tender process

### **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.

Dains Audit Limited 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.



## **NORTHAMBER PLC**

### **CORPORATE GOVERNANCE (continued)**

#### **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.

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 7 to 18. The financial position of the Group, its cash flow and its liquidity position are described in the Chairman's Statement on pages 5 to 6. 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 2023 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 a review of the current market and relevant downsides due to inflationary and cost of living pressures together with the global economy. The Board are confident that with the strong balance sheet and cash position all working capital requirements will be met. 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.

## **NORTHAMBER PLC 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 during the financial year. The conclusion of this review was that the Group's IT and EWRP systems should be modernised to improve the systems, operations and internal controls. Following the year end the company has committed to the installation of a new ERP, warehouse management and accounting system which it believes will drive efficiencies within the business and improve internal and financial controls. The effectiveness of this will be reviewed in the forthcoming financial year.

#### **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**  
15 November 2023

## **NORTHAMBER PLC**

### **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.

## **NORTHAMBER PLC DIRECTORS AND ADVISERS**

### **Non-Executive Directors**

#### **Colin Mark Thompson \*† (Age 63)**

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 52)**

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 61)**

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 37)**

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 57)**

Finance director

Antony Lee joined Northamber plc in 2020 as Director of Finance and was appointed as Finance Director in 2021.

#### **Peter Dosanjh (Age 54)**

Peter Dosanjh joined Northamber Plc in 2018 as Director of Sales, was appointed as an Executive Director in July 2022.

#### **Registered Office**

Number House  
23 Davis Road  
Chessington  
Surrey  
KT9 1HS

#### **Registrars**

Computershare Investor Services plc  
The Pavilions  
Bridgwater Road  
Bristol  
BS13 8AE

#### **Registered Auditor**

Dains Audit Limited  
15 Colmore Row  
Birmingham  
B3 2BH

#### **Bankers**

Barclays Bank plc  
6 Clarence Street  
Kingston upon Thames  
Surrey  
KT1 1NY

Atlantic Bank  
405 Park Avenue  
New York  
NY 10016  
USA

#### **Nominated Adviser & Broker**

Singer Capital Markets  
One Bartholomew Lane  
London  
EC2N 2AX

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC FOR THE YEAR ENDED 30 JUNE 2023**

### **Opinion**

We have audited the financial statements of Northamber Plc (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2023 which comprise the consolidated statement of comprehensive income, the consolidated and parent company statements of financial position, the consolidated and parent company statements of changes in equity, the consolidated and parent company statements 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 the preparation of the Group financial statements 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 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements 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 responsibilities for the audit of the financial statements section of our report. We are independent of the Group and 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, and 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.

### **Our approach to the audit**

As part of designing our audit approach, we obtained an understanding of the Group and its environment, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the parent company, the accounting processes and controls, and the industry in which they operate.

In establishing the overall approach to the Group audit, we assessed the audit significance of each reporting unit in the Group by reference to both its financial significance and other indicators of audit risk, such as complexity of operations and the degree of estimation and judgement in the financial results.

The Group financial statements are a consolidation of three reporting units, comprising the Group's operating businesses and property holding companies.

The Group audit team performed full scope audits of the complete financial information of Northamber Plc, Audio Visual Material Limited and Anitass Limited, which are considered to be the Group's significant components and which accounted for 100% of the Group's total revenue and assets.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued)  
FOR THE YEAR ENDED 30 JUNE 2023**

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, 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.

<b>Key audit matters</b>	<b>How our scope addressed this matter</b>
<p><b>Impairment of goodwill and other intangible assets (Group)</b></p> <p>The Group has goodwill and other intangible assets with a carrying value of £1.251m which arise from the acquisition of Audio Visual Material Limited.</p> <p>In accordance with accounting standards goodwill is not amortised but is subject to an annual impairment review through assessment of the value in use. The determination of the value in use to which the goodwill and intangible assets are allocated involves management judgment and estimates including the discount rate and both short term and long term growth rates.</p> <p>Furthermore the group has now recorded operating losses for two successive years. We therefore consider that there are indicators that impairments may be present and as such there is a risk that goodwill and other intangibles may be materially misstated.</p> <p>Management have concluded that no impairment is necessary.</p>	<p>We have tested the judgements made by management in undertaking the impairment tests which included, but is not limited to, identifying the cash generating units (CGUs), assessing the reasonableness of the discount rate used, comparing the forecasts to information used to assess going concern and challenging the robustness of the key assumptions including those around revenue growth.</p> <p>We also performed our own sensitivity analysis on managements impairment model to consider the impact of other plausible scenarios and we considered whether the related financial statement disclosures set out in notes 2 and 11 were adequate and appropriate.</p> <p>Nothing has come to our attention to suggest that the impairment conclusions reached by management are not appropriate.</p>
<p><b>Valuation of investment in Audio Visual Material Limited (Company)</b></p> <p>There is a risk that if there are any impairment indicators that would impact the carrying value of the CGU of Audio Visual Material Limited these may also impact the carrying value in the parent company of the investment in Audio Visual Material Limited which has a carrying amount of £2.135m.</p>	<p>Our audit procedures included but were not limited to considering the results of the assessment for impairment indicators of the goodwill and other intangible assets detailed above and evaluating whether the relevant disclosures in the financial statements set out in notes 2 and 17 were adequate and appropriate.</p> <p>Nothing has come to our attention to suggest that the impairment conclusions reached by management are not appropriate.</p>

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued)  
FOR THE YEAR ENDED 30 JUNE 2023**

**Key audit matters (continued)**

Key audit matters	How our scope addressed this matter
<p><b>Revenue recognition</b></p> <p>There is a rebuttable presumption that revenue recognition gives rise to a risk of material misstatement. Revenue recognition is therefore regarded as a key audit matter.</p>	<p>We have assessed the Group’s revenue accounting policy as disclosed in note 2 to the financial statements to ensure revenue is recognised at the point when the satisfaction of performance obligations is fulfilled.</p> <p>We have documented and evaluated the revenue processes within the Group to ensure that the capture of revenue data is accurate and within the correct accounting period.</p> <p>We have specifically tested the completeness of revenue, tracing a sample of customer orders from delivery note to invoice.</p> <p>Nothing has come to our attention to suggest that revenue is not recognised appropriately.</p>

**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.

To evaluate the directors’ assessment of the Group’s ability to continue to adopt the going concern basis of accounting, we completed the following audit procedures:

- obtained an understanding of the relevant controls relating to the Group’s budgeting and forecasting process;
- challenged the key assumptions underpinning the Group’s forecasts; and
- assessed the appropriateness of the Group’s disclosure concerning the adoption of the going concern basis of accounting.

The Directors’ forecasts demonstrate that the Group can continue to trade for a period of at least 12 months from the date of approval of the financial statements.

We have reviewed the disclosures prepared by the Directors set out in Note 2 and consider them to be appropriate.

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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued)  
FOR THE YEAR ENDED 30 JUNE 2023**

**Our application of materiality**

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 in aggregate on the financial statements as a whole.

We apply the concept of materiality, both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	<b>Group financial statements</b>	<b>Company financial statements</b>
<b>Overall materiality</b>	Materiality: £1,005,000 (30 June 2022: £1,004,000). Performance Materiality: £754,000 (30 June 2022: £753,000).	Materiality: £925,000 (30 June 2022: £903,000). Performance Materiality: £694,000 (30 June 2022: £678,000).
<b>How we determined it</b>	Based on 1.5% (30 June 2022: 1.5%) of Group revenue	Based on 1.5% (30 June 2022: 1.5%) of parent company revenue
<b>Rationale for benchmark applied</b>	We believe that revenue is the primary measure used by shareholders in assessing the performance of the Group.  Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.  Having considered the control environment, we have set performance materiality at 75% of materiality.	We believe that revenue is the primary measure used by shareholders in assessing the performance of the parent company.  Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.  Having considered the control environment, we have set performance materiality at 75% of materiality.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £255,000 and £925,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £50,000 (Group audit) (2022 - £30,000) and £48,000 (Company audit) (2022 - £27,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued) FOR THE YEAR ENDED 30 JUNE 2023**

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 the 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.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and 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 27, 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued) FOR THE YEAR ENDED 30 JUNE 2023**

### **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 these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with directors and other management, and from our commercial knowledge and experience of the distribution sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the financial reporting legislation, Companies Act 2006, the AIM listing rules, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTHAMBER PLC (continued)  
FOR THE YEAR ENDED 30 JUNE 2023**

**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of this 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.

**Mark Hargate FCA** (Senior Statutory Auditor)

For and on behalf of Dains Audit Limited,  
Statutory Auditor and Chartered Accountants

Birmingham

15 November 2023

**NORTHAMBER PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2023

	Notes	2023 £'000	2022 £'000
<b>Revenue</b>	3	67,149	66,260
Cost of sales		(58,243)	(57,791)
<b>Gross Profit</b>		<u>8,906</u>	<u>8,469</u>
Distribution costs		(5,907)	(5,556)
Administrative costs		(3,491)	(3,365)
<b>Operating Loss</b>	4	<u>(492)</u>	<u>(452)</u>
Finance income		81	5
Finance cost		-	-
<b>Loss before tax</b>		<u>(411)</u>	<u>(447)</u>
Tax expense	6	-	-
<b>Loss for the year and total comprehensive income attributable to the owners</b>		<u><u>(411)</u></u>	<u><u>(447)</u></u>
<b>Basic and diluted Loss per ordinary share</b>	8	<u>(1.51) p</u>	<u>(1.64)p</u>

The above results arise from continuing operations

The notes on pages 43 to 67 form part of the financial statements

**NORTHAMBER PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2023

	<b>Share Capital £'000</b>	<b>Share Premium Account £'000</b>	<b>Capital Redemption Reserve £'000</b>	<b>Retained Earnings £'000</b>	<b>Total Equity £'000</b>
Balance at 1 July 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
Dividends	-	-	-	(163)	(163)
Transactions with owners	-	-	-	(163)	(163)
Loss and total comprehensive income for the year	-	-	-	(411)	(411)
Balance at 30 June 2023	272	5,734	1,514	16,357	23,877

**NORTHAMBER PLC**  
**COMPANY STATEMENT OF CHANGES IN EQUITY**

**For the year ended 30 June 2023**

	<b>Share Capital</b>	<b>Share Premium Account</b>	<b>Capital Redemption Reserve</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 July 2021	272	5,734	1,514	5,342	12,862
Dividends	-	-	-	(191)	(191)
Transactions with owners	-	-	-	(191)	(191)
Loss and total comprehensive loss for the year	-	-	-	(617)	(617)
Balance at 30 June 2022	272	5,734	1,514	4,534	12,054
Dividends	-	-	-	(163)	(163)
Transactions with owners	-	-	-	(163)	(163)
Loss and total comprehensive income for the year	-	-	-	(725)	(725)
Balance at 30 June 2023	272	5,734	1,514	3,646	11,166

**NORTHAMBER PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

At 30 June 2023

	Notes	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Property, plant and equipment	9	5,519	6,919
Intangible assets	11	1,251	1,309
		<u>6,770</u>	<u>8,228</u>
<b>Current assets</b>			
Inventories	12	11,447	10,649
Trade and other receivables	13	12,099	11,245
Cash and cash equivalents	14	5,512	4,696
		<u>29,058</u>	<u>26,590</u>
<b>Total assets</b>		<u><b>35,828</b></u>	<u><b>34,818</b></u>
<b>Current liabilities</b>			
Trade and other payables	15	(11,951)	(10,329)
Corporation tax payable		-	(38)
<b>Total liabilities</b>		<u><b>(11,951)</b></u>	<u><b>(10,367)</b></u>
<b>Net assets</b>		<u><b>23,877</b></u>	<u><b>24,451</b></u>
<b>Equity</b>			
Share capital	16	272	272
Share premium account		5,734	5,734
Capital redemption reserve		1,514	1,514
Retained earnings		16,357	16,931
<b>Equity shareholders' funds attributable to the owners of the parent</b>		<u><b>23,877</b></u>	<u><b>24,451</b></u>

The financial statements on pages 36 to 67 were approved by the Board of Directors on 15 November 2023 and were signed on its behalf by:

A.R. Lee  
 Director

P Dosanjh  
 Director

Company Registration number: 01499584

**NORTHAMBER PLC**  
**COMPANY STATEMENT OF FINANCIAL POSITION**

At 30 June 2023

	Notes	2023 £'000	2022 £'000
<b>Non-current assets</b>			
Property, plant and equipment	10	1,620	1,652
Investments	17	2,135	2,135
		<u>3,755</u>	<u>3,787</u>
<b>Current assets</b>			
Inventories	12	10,456	9,689
Trade and other receivables	13	11,852	11,525
Cash and cash equivalents	14	5,240	4,104
		<u>27,548</u>	<u>25,318</u>
<b>Total assets</b>		<u><b>31,303</b></u>	<u><b>29,105</b></u>
<b>Current liabilities</b>			
Trade and other payables	15	(20,137)	(17,051)
Corporation tax payable		-	-
<b>Total liabilities</b>		<u><b>(20,137)</b></u>	<u><b>(17,051)</b></u>
<b>Net assets</b>		<u><b>11,166</b></u>	<u><b>12,054</b></u>
<b>Equity</b>			
Share capital	16	272	272
Share premium account		5,734	5,734
Capital redemption reserve		1,514	1,514
Retained earnings		<u>3,646</u>	<u>4,534</u>
<b>Equity shareholders' funds attributable to the owners of the parent</b>		<u><b>11,166</b></u>	<u><b>12,054</b></u>

The loss after tax for the individual parent company was £725,000 (2022: £617,000)

The financial statements on pages 36 to 67 were approved by the Board of Directors on 15 November 2023 and were signed on its behalf by:

A.R.Lee  
Director

P Dosanjh  
Director

Company Registration number: 01499584



**NORTHAMBER PLC**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 30 June 2023

	Note	2023 £'000	2022 £'000
<b>Cash flows from operating activities</b>			
Operating Loss from continuing operations		(492)	(452)
Depreciation of property, plant and equipment	4	357	336
Amortisation of intangible assets	4	58	56
Profit on disposal of property, plant and equipment		(74)	(15)
Operating loss before changes in working capital		<u>(151)</u>	<u>(75)</u>
Increase in inventories		(798)	(2,181)
Increase in trade and other receivables		(854)	(492)
Increase in trade and other payables		1,622	463
Cash used in operations		<u>(181)</u>	<u>(2,285)</u>
Income taxes paid		(38)	(120)
Net cash used in operating activities		<u>(219)</u>	<u>(2,405)</u>
<b>Cash flows from investing activities</b>			
Interest received		81	5
Proceeds from disposal of Property, plant and equipment		1,475	60
Purchase of property, plant equipment		(358)	(222)
Net cash generated from/(used in) investing activities		<u>1,198</u>	<u>(157)</u>
<b>Cash flows from financing activities</b>			
Dividends paid to equity shareholders	7	(163)	(191)
Interest Paid		-	-
Net cash used in financing activities		<u>(163)</u>	<u>(191)</u>
Net increase/(decrease) in cash and cash equivalents		816	(2,753)
Cash and cash equivalents at beginning of year	14	4,696	7,449
Cash and cash equivalents at end of year	14	<u>5,512</u>	<u>4,696</u>

**NORTHAMBER PLC**  
**COMPANY STATEMENT OF CASH FLOWS**

For the year ended 30 June 2023

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>Cash flows from operating activities</b>		
Operating Loss from continuing operations	(804)	(622)
Depreciation of property, plant and equipment	163	144
Profit on disposal of property, plant and equipment	-	(14)
Operating loss before changes in working capital	<u>(641)</u>	<u>(492)</u>
Increase in inventories	(767)	(2,008)
Increase in trade and other receivables	(327)	(357)
Increase in trade and other payables	3,086	1,054
Cash used in operations	<u>1,351</u>	<u>(1,803)</u>
Income taxes paid	-	(10)
Net cash generated from/(used in) operating activities	<u>1,351</u>	<u>(1,813)</u>
<b>Cash flows from investing activities</b>		
Interest received	79	5
Purchase of property, plant and equipment	(131)	(157)
Proceeds from disposal of property, plant and equipment	-	60
Net cash used in investing activities	<u>(52)</u>	<u>(92)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to equity shareholders	(163)	(191)
Net cash used in financing activities	<u>(163)</u>	<u>(191)</u>
Net increase/(decrease) in cash and cash equivalents	1,136	(2,096)
Cash and cash equivalents at beginning of year	4,104	6,200
Cash and cash equivalents at end of year	<u>5,240</u>	<u>4,104</u>

# **NORTHAMBER PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2023**

#### **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 30. The nature of the company's operations and its principal activities are set out in the Strategic Report and the Directors' Report on pages 7-16.

#### **2. Significant accounting policies**

##### **Basis of accounting**

The financial statements have been prepared in accordance with UK-adopted 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 functional and presentational currency of the Group is pounds sterling. The figures have been rounded to the nearest one thousand pounds.

The financial statements cover the individual entity Northamber plc and two subsidiaries Anitass Limited and Audio Visual Material Limited. All other subsidiaries are dormant and not material to the financial statements for the year to 30 June 2023 or 30 June 2022.

##### **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.

**NORTHAMBER PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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 ended 30 June 2023:

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 2023**

IAS 1 Amendment: disclosure of accounting policies

IAS 8 Amendment: definition of accounting estimates

IFRS 1 and IAS 12 Amendment: Deferred tax related to assets and liabilities arising from a single transaction

IFRS 17 and IFRS 9 Amendment: comparative information

**IFRS standards effective from 1 January 2024 onwards**

IAS 1 Amendment: Non-current liabilities with covenants

IFRS16 Amendment: Lease liability in a sale and leaseback

IAS7 and IFRS7 Amendment: Supplier finance arrangements

IAS 21 Amendment: Lack of exchangeability

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.

**NORTHAMBER PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2. Significant accounting policies (continued)**

**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 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 £1,251,000 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.

## **NORTHAMBER PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2023**

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.

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**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

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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



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**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.

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**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

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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.

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**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 25.

**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:	2023	2022
	£'000	£'000
Revenue from contracts with customers – UK	66,489	65,602
Revenue from contracts with customers – Non UK	660	658
	67,149	66,260

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.

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**4. Loss from operations**

Operating loss is stated after charging:

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Foreign exchange loss	29	164
Depreciation of property, plant and equipment	357	336
Amortisation of intangible assets	58	56
Fees paid to the company's auditor		
- for the audit of the company annual financial statements	55	78
- for the audit of subsidiary undertakings	8	17
Employee benefit expense	<u>5,791</u>	<u>5,431</u>

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

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**5. Staff costs**

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Sales	57	61
Administration	38	36
Warehouse	12	13
Engineering	1	1
	<u>108</u>	<u>111</u>

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Their aggregate remuneration comprised:		
Wages and salaries	4,987	4,696
Social security costs	608	563
Pension costs	140	128
Other benefits	56	44
	<u>5,791</u>	<u>5,431</u>

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 20. 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.

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration		
Salaries and Fees	438	347
Social security costs	48	34
Pension costs	31	30
Benefits	31	32
	<u>548</u>	<u>443</u>

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**6. Tax expense**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Current taxation	-	-
Charge for the year	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities before tax	<u>(411)</u>	<u>(447)</u>
Tax at the UK corporation tax rate of 25.00% (2022:19.00%)	(103)	(85)
Profit on disposal of fixed assets	-	-
Capital gain	-	-
Non-deductible expenses	(3)	23
Sundry items	-	-
Use of post April 2017 losses brought forward	-	-
Loss available to carry forward	<u>106</u>	<u>62</u>
Total actual amount of charge for the year	<u>-</u>	<u>-</u>

The average main rate of corporation tax for the year ended 30 June 2023 was 20.5%. During the year the main rate of corporation tax increased to 25% from 19%. The effect of this change is not material.

The Group has tax losses of £4.1 million (2022: £3.7 million) to carry forward. No deferred tax asset is recognised in respect of the losses as there is uncertainty over the timing of future taxable profits sufficient to utilise the losses. The unprovided deferred tax asset in respect of these losses at a rate of 25% (2022: 19%) is approximately £1,025,000 (2022: £703,000).

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**7. Dividends**

Amounts recognised as distribution to equity holders in the period:

<b>Dividends paid in year</b>	<b>2023</b>		<b>2022</b>	
	<b>Pence Per Share</b>	<b>£'000</b>	<b>Pence Per Share</b>	<b>£'000</b>
Final – for year ended 30 June 2022 and 30 June 2021	0.30	82	0.40	109
Interim – for year ended 30 June 2023 and 30 June 2022	0.30	81	0.30	82
	<u>0.60</u>	<u>163</u>	<u>0.70</u>	<u>191</u>
Proposed final for the year ended 30 June 2023 and 30 June 2022	0.30	82	0.30	82

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. Loss per ordinary share**

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

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the year attributable to equity holders of the parent company	<u>(411)</u>	<u>(447)</u>
<b>Number of shares</b>	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares for the purpose of basic loss per share and diluted loss per share	<u>27,231,586</u>	<u>27,231,586</u>

Basic and diluted loss per share is calculated by dividing the loss 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.



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**9. Property, plant and equipment**

	<b>Land and Buildings £'000</b>	<b>Plant and Equipment £'000</b>	<b>Total £'000</b>
<b>Group Cost</b>			
At 1 July 2021	7,474	1,388	8,862
Additions	-	222	222
Disposals	-	(66)	(66)
At 30 June 2022	<u>7,474</u>	<u>1,544</u>	<u>9,018</u>
<b>Depreciation</b>			
At 1 July 2021	1,241	542	1,783
Depreciation charge for the year	141	195	336
Disposals	-	(20)	(20)
At 30 June 2022	<u>1,382</u>	<u>717</u>	<u>2,099</u>
<b>Net book value at 30 June 2022</b>	<b><u>6,092</u></b>	<b><u>827</u></b>	<b><u>6,919</u></b>
<b>Group Cost</b>			
At 1 July 2022	7,474	1,544	9,018
Additions	-	358	358
Disposals	(1,478)	-	(1,478)
At 30 June 2023	<u>5,996</u>	<u>1,902</u>	<u>7,898</u>
<b>Depreciation</b>			
At 1 July 2022	1,382	717	2,099
Depreciation charge for the year	125	232	357
Disposals	(77)	-	(77)
At 30 June 2023	<u>1,430</u>	<u>949</u>	<u>2,379</u>
<b>Net book value at 30 June 2023</b>	<b><u>4,566</u></b>	<b><u>953</u></b>	<b><u>5,519</u></b>

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**10. Property, plant and equipment**

<b>Company</b>	<b>Land and Buildings £'000</b>	<b>Plant and Equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 July 2021	2,574	591	3,165
Additions	-	157	157
Disposals	-	(66)	(66)
At 30 June 2022	<u>2,574</u>	<u>682</u>	<u>3,256</u>
<b>Depreciation</b>			
At 1 July 2021	1,115	365	1,480
Depreciation charge for the year	56	88	144
Disposals	-	(20)	(20)
At 30 June 2022	<u>1,171</u>	<u>433</u>	<u>1,604</u>
<b>Net book value at 30 June 2022</b>	<b><u>1,403</u></b>	<b><u>249</u></b>	<b><u>1,652</u></b>
<b>Cost</b>			
At 1 July 2022	2,574	682	3,256
Additions	-	131	131
Disposals	-	-	-
At 30 June 2023	<u>2,574</u>	<u>813</u>	<u>3,387</u>
<b>Depreciation</b>			
At 1 July 2022	1,171	433	1,604
Depreciation charge for the year	56	107	163
Disposals	-	-	-
At 30 June 2023	<u>1,227</u>	<u>540</u>	<u>1,767</u>
<b>Net book value at 30 June 2023</b>	<b><u>1,347</u></b>	<b><u>273</u></b>	<b><u>1,620</u></b>

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**11. Intangible assets**

	<b>Goodwill</b>	<b>Brands</b>	<b>Customer Relationships</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>				
<b>At 30 June 2021, 30 June 2022 and 30 June 2023</b>	<b>1,025</b>	<b>63</b>	<b>333</b>	<b>1,421</b>
<b>Amortisation and impairment</b>				
At 1 July 2021	-	(9)	(47)	(56)
Amortisation during the year	-	(9)	(48)	(57)
<b>At 30 June 2022</b>	<b>-</b>	<b>(18)</b>	<b>(95)</b>	<b>(113)</b>
<b>Amortisation and impairment</b>				
At 1 July 2022	-	(18)	(95)	(113)
Amortisation during the year	-	(9)	(48)	(57)
<b>At 30 June 2023</b>	<b>-</b>	<b>(27)</b>	<b>(143)</b>	<b>(170)</b>
<b>Carrying Amount</b>				
<b>At 30 June 2023</b>	<b>1,025</b>	<b>36</b>	<b>190</b>	<b>1,251</b>
At 30 June 2022	1,025	45	239	1,309

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Amortisation is included under administration costs in the Statement of Comprehensive Income.

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.

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## **NOTES TO THE FINANCIAL STATEMENTS**

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#### **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.

#### **Gross profit margins**

The gross profit growth rate used in Year 1 is 15.1% (2022: 15.9%) and thereafter the average annual gross margin growth rates are 9.6% (2022: 10.2%). Audio Visual Material Limited is starting to see its high margin rental business increase towards pre-pandemic levels.

Gross profit margin percentages over the extrapolation period are 15.15% (2022: 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 5.1% (2022: 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. Audio Visual Material Limited has a recoverable amount of £2.54 million (2022: £2.7 million) exceeds its carrying amount by £0.44 million (2022: £0.6 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 29%
- Gross margin falls to 14.4% each year on the above revenue growth rates

**NORTHAMBER PLC**  
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**12. Inventories**

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Goods for resale	<u>11,447</u>	<u>10,649</u>	<u>10,456</u>	<u>9,689</u>

Cost of sales include £58,243,000 (2022: £57,791,000) inventory expensed in the year's statement of comprehensive income. An impairment charge of Nil is recognised in cost of sales (2022: Nil). A provision against slow moving stock has been included amounting to £330,000 (2022: £284,000).

**13. Trade and other receivables**

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade receivables	10,567	10,566	10,212	9,882
Less provision for impairment of receivables	(119)	(330)	(101)	(312)
Net trade receivables	<u>10,448</u>	<u>10,236</u>	<u>10,111</u>	<u>9,570</u>
Intercompany receivables	-	-	315	1,006
Prepayments and other receivables	1,651	1,009	1,426	949
	<u>12,099</u>	<u>11,245</u>	<u>11,852</u>	<u>11,525</u>

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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
0-30 days past due	850	218	674	143
30 - 60 days past due	125	66	102	32
60 - 90 days past due	95	28	21	28
90+ days past due	275	442	169	442

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**Trade and other receivables impairment provision**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at beginning of period	330	268	312	250
Amounts written off as uncollectable	(321)	-	(321)	-
Increase in impairment loss provision	110	62	110	62
	<u>119</u>	<u>330</u>	<u>101</u>	<u>312</u>

At 30 June 2023 the Group's total lifetime credit loss provision was £119,000, of which trade receivables of £115,000 had lifetime expected credit losses of the full value of the receivables.

At 30 June 2023 the Company's total lifetime credit loss provision was £101,000, of which trade receivables of £111,000 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.

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**14. Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank balances and cash in hand	5,512	4,696	5,240	4,104
Cash and cash equivalents in statement of cash flows	<u>5,512</u>	<u>4,696</u>	<u>5,240</u>	<u>4,104</u>

**15. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade payables	9,966	8,293	9,218	7,586
Inter company payables	-	-	9,030	7,467
Other payables	60	79	51	46
VAT	1,093	1,319	1086	1,359
Other tax and social security	165	162	148	150
Accruals and deferred income	667	476	604	443
	<u>11,951</u>	<u>10,329</u>	<u>20,137</u>	<u>17,051</u>

The financial liabilities shown above are those which were outstanding at 30 June 2023. The average credit period taken for trade payables is 52 days (2022: 42 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**

	<b>Number</b>	<b>£'000</b>
Authorised shares of 1p each At 30 June 2023 and 2022	<u>80,000,000</u>	<u>2,000</u>
Issued and fully paid shares of 1p each At 30 June 2023 and 2022	27,231,586	272

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

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**17. Investment in Group companies**

<b>Company</b>	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Cost and net book value	<u>2,135</u>	<u>2,135</u>

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 28.

**18. Capital commitments**

At 30 June 2023, the company had capital commitments, contracted for but not provided in these financial statements of £278,000 (2022: £Nil).

**19. Related party transactions and ultimate controlling party**

Mr A.M. Phillips is the ultimate controlling party of the company due to his majority shareholding in the issued share capital of the Company.

During the year, the company paid £300,000 (2022: £300,000) rent to Anitass Limited, a wholly owned subsidiary. At the year- end Northamber plc owed Anitass Limited £9,030,000 (2022: £7,467,000).

During the year, the company received £46,500 (2022: £46,500) rent and £66,000 (2022: £66,000) management charge from Audio Visual Material Limited "AVM", a wholly owned subsidiary.

During the year AVM purchased £537,000(2022:£640,000) worth of goods from Northamber Plc and Northamber Plc purchased £589,000(2022: £639,000) worth of goods from AVM. AVM owed £315,000 (2022: £831,000) to Northamber Plc at the year end.

All intercompany balances are interest free and unsecured.



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**20. Events after the reporting date**

On 27 July 2023, the company adopted a Company Share Option Plan (CSOP), under which all of the company's eligible employees will be able to participate.

Options under the CSOP (CSOP Options) to acquire a total of 131,250 ordinary shares of £0.01 each in the capital of the company (Ordinary Shares), have been granted to three directors, which represent 0.48 per cent. of the existing issued share capital of the company.

In addition, the company subsequently granted additional CSOP Options to acquire 1,124,993 Ordinary Shares to senior management and other employees, which represents 4.13 per cent of the existing issued share capital of the company.

**21. 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 2023 are categorised below.

The interest rate exposure of the financial assets and liabilities of the Group and company as at 30 June 2023 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.

	<b>Floating £'000</b>	<b>Zero £'000</b>	<b>Total £'000</b>
<b>Group – Year ended 30 June 2023</b>			
Financial assets at amortised cost			
Cash and cash equivalents:			
Sterling	4,951	-	4,951
US Dollars (Sterling equivalent)	290	-	290
Euros (Sterling equivalent)	271	-	271
Trade and other receivables	-	10,448	10,448
Total	<u>5,512</u>	<u>10,448</u>	<u>15,960</u>

	<b>Floating £'000</b>	<b>Zero £'000</b>	<b>Total £'000</b>
Financial liabilities at amortised cost			
Trade payables:			
Sterling	-	7,641	7,641
US Dollars (Sterling equivalent)	-	1,992	1,992
Euros (Sterling equivalent)	-	333	333
Other payables	-	60	60
Total	<u>-</u>	<u>10,026</u>	<u>10,026</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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	<b>Floating £'000</b>	<b>Zero £'000</b>	<b>Total £'000</b>
<b>Group – Year ended 30 June 2022</b>			
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	<u>4,696</u>	<u>9,884</u>	<u>14,580</u>

	<b>Floating £'000</b>	<b>Zero £'000</b>	<b>Total £'000</b>
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	<u>-</u>	<u>8,000</u>	<u>8,000</u>

	<b>Floating £'000</b>	<b>Zero £'000</b>	<b>Total £'000</b>
<b>Company – Year ended 30 June 2023</b>			
Financial assets – at amortised cost			
Cash and cash equivalents:			
Sterling	4,679	-	4,679
US Dollars (Sterling equivalent)	290	-	290
Euros (Sterling equivalent)	271	-	271
Trade and other receivables	-	10,111	10,111
Total	<u>5,240</u>	<u>10,111</u>	<u>15,351</u>

	<b>Floating £'000</b>	<b>Zero £'000</b>	<b>Total £'000</b>
Financial liabilities at amortised cost			
Trade payables:			
Sterling	-	6,893	6,893
US Dollars (Sterling equivalent)	-	1,992	1,992
Euros (Sterling equivalent)	-	333	333
Inter Company payables	-	9,030	9,030
Other payables	-	51	51
Total	<u>-</u>	<u>18,299</u>	<u>18,299</u>

The Directors estimate that an increase or decrease in annual average interest rates of 0.5% would increase/decrease profit before tax by approximately £26,000 (2022: £30,000).

**NORTHAMBER PLC**  
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	<b>Floating £'000</b>	<b>Zero £'000</b>	<b>Total £'000</b>
<b>Company – Year ended 30 June 2022</b>			
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	<u>4,104</u>	<u>9,197</u>	<u>13,301</u>

	<b>Floating £'000</b>	<b>Zero £'000</b>	<b>Total £'000</b>
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	<u>-</u>	<u>13,720</u>	<u>13,720</u>

**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 20 December 2023 at 2 pm for the following purposes:

1. To receive and adopt the company's accounts for the year ended 30 June 2023 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 2023 be received and approved.
3. To declare a dividend on the ordinary shares of the company.
4. Re-elect Mr Alexander Phillips as a director.
5. Re-elect Mr Colin Thompson as a director.
6. To appoint Dains Audit Limited 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 19 March 2025 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;

## NOTICE OF MEETING (continued)

- (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:  
Number 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.





Head Office,  
Chessington



Basingstoke  
Office



Warehouse,  
Swindon





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