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22 December 2020

Northamber PLC
(the “Company” or the “Group”)

Delay in Publication of 2020 Annual Report and Trading Update

The Board, in discussion with the Company’s auditors, Mazars LLP, has concluded that it will not now be possible to publish the Company’s audited annual financial results for the year ended 30 June 2020 (“Annual Report”) by the deadline of 31 December 2020. The delay in publication of the Annual Report is due to the impact of the COVID-19 pandemic on the production of the annual report and on the external audit process, which has also affected many other quoted companies.

Every effort is being made to complete the Annual Report and the Board expects that the audited results will be published as soon as possible in January 2021. The Company has been granted an extension by AIM to publish its annual report and consistent with the Government extension to the deadline for filing accounts at Companies House, the deadline for holding an Annual General Meeting has also been extended and must now be held before 31 March 2021. As is customary, the Group will give notice of the date for holding the AGM at the same time as publishing its annual audited accounts.

The year to 30 June 2020 saw significant change with the £10.38 million exceptional profit on the sale of our Weybridge distribution centre, the purchase of a new centre in Swindon which we moved in to during the second half, and the acquisition of Audio Visual Material (“AVM”). After the onset of COVID, we took the early decision to prioritise looking after our team and partners by avoiding any furlough or COVID related redundancy. By staying fully staffed and operational we believed we could better support all our stakeholders throughout lockdown.

Despite many sectors experiencing a very heavy COVID contraction, the Group has continued to invest in the longer term including building its presence in future key technologies.

We are pleased to advise that this decision to keep fully resourced, combined with our nimble structure, rewarded us in the financial year to 30 June 2020 with modest organic sales growth but significant margin growth year on year as we picked up opportunities from our major competitors. Unfortunately these gross margin gains didn't fully drop down to the operating profit line this year as there were a series of significant non-recurring costs associated with the acquisition of AVM and the warehouse move that are reflected in operating profit levels, however these are strong investments for our future and in part a consequence of realising the £10.38 million exceptional warehouse sale profit.

Colin Thompson, Chairman, said:

"I would like to apologise to shareholders for the delay in releasing the 2020 accounts. The audit process is close to completion, however it has simply taken a lot longer than expected to finalise the annual report and the audit. The delays are very disappointing as Northamber has always released its annual results in a very timely manner and we fully intend to ensure that this will be the case in future.

Pleasingly, we have experienced margin growth year on year so far in the 2021 financial year and we are quietly optimistic that the investments we have made in supporting our partners coupled with removing the one off costs tied to moving warehouse should be reflected in the trading results for the current financial year. Clearly we remain highly cautious however due to the economic uncertainty, Brexit and the potential further impact of COVID on the demand and supply chain. We remain committed to our continued focus on our strategic, higher margin value categories and we see future opportunities to grow our market share. The strength of our balance sheet, with current cash of £8.4 million, provides an excellent platform from which to do so, and inspires confidence in our customers and suppliers that Northamber is here for the long haul.”

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