

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

**Interim Report for the Six months to 31 December 2021**

**Chairman’s Statement**

**Results**

We are pleased to share that we have continued to grow revenue year on year by 8.8% from £29.7m to £32.3m whilst maintaining gross margins at 12.9% (12.8% prior year) despite challenging and very dynamic market conditions. This served to generate an increase in Gross Margins of £0.35m year on year and reflected our continued focus on evolving our product mix towards higher margin, more technical products through Northamber and AVM.

Previously discussed lockdown challenges eased but still impacted some performance in some of our strategic business units and our subsidiary AVM, as Covid easing still impacted some site access for higher end projects and the rental market, but we are hopeful of improved performance as these restrictions continue to ease.

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

Unfortunately the increase in distribution and administration costs outweighed the margin growth and resulted in a reduction of EBITDA year on year to £64K and an operating loss for the half of £0.1m versus a profit of £0.2m 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. We regularly review these investments and all costs to ensure we are generating value.

**Financial position**

Stock levels are higher than last year at £11.2 million against £8.4 million at 31 December 2020 as we continued to seek to profitably support our partners by maintaining sufficient stock in country during the uncertainty of chip shortages together with continued impact of Brexit and COVID on supply chains.

The investment in inventory meant that cash reserves fell from £7.4 million at 30 June 2021 to £4.7 million. With Fixed Assets at book value at £7.0 million, including three unencumbered freehold properties, the Group’s overall financial position is very sound.

Net Assets at 91.7p per share are considerably in excess of the average price of the ordinary shares throughout the period.

## 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 interim dividend be 0.3p, at a total cost of £81,695. The dividend will be paid on 28 April 2022 to shareholders on the register as at 8 April 2022.

## Staff

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

## Outlook

In keeping with prior outlooks that we shared, we remain cautiously optimistic that the investments we have made in supporting our partners will allow us to continue to drive growth of strategic business units as some of these investments returns have been hampered by the impact of COVID and supply chain issues. We necessarily remain cautious due to the economic uncertainty, Brexit, the potential further impact of COVID and supply chain pressures but feel strongly 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**

**29 March 2021**

## Contacts:

### Northamber PLC

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**Consolidated Statement of Comprehensive Income**  
**6 months to 31 December 2021**

	<b>6 months Ended 31.12.21 £'000 Unaudited</b>	<b>6 months Ended 31.12.20 £'000 Unaudited</b>	<b>Year Ended 30.06.21 £'000 Audited</b>
<b>Revenue</b>	32,276	29,679	60,009
Cost of sales	(28,123)	(25,878)	(52,200)
<b>Gross Profit</b>	<u>4,153</u>	<u>3,801</u>	<u>7,809</u>
Distribution cost	(2,670)	(2,284)	(4,595)
Administrative costs	(1,599)	(1,294)	(2,837)
<b>(Loss)/Profit from operations</b>	<u>(116)</u>	<u>223</u>	<u>377</u>
Finance income	-	7	8
<b>(Loss)/Profit before Tax</b>	<u>(116)</u>	<u>230</u>	<u>385</u>
Tax charge	-	-	(48)
<b>(Loss)/Profit and total comprehensive Income for the period</b>	<u>(116)</u>	<u>230</u>	<u>337</u>
 Basic and diluted profit per ordinary share	 (0.43p)	 0.84p	 1.24p

**Consolidated Statement of Financial Position  
As At 31 December 2021**

	<b>6 months Ended 31.12.21 £'000 Unaudited</b>	<b>6 months Ended 31.12.20 £'000 Unaudited</b>	<b>Year Ended 30.06.21 £'000 Audited</b>
<b>Non -current assets</b>			
Property, plant and equipment	7,004	7,102	7,079
Goodwill and intangible assets	1,336	1,391	1,365
	<u>8,340</u>	<u>8,493</u>	<u>8,444</u>
<b>Current assets</b>			
Inventories	11,190	8,401	8,468
Trade and other receivables	9,639	8,821	10,753
Cash and cash equivalents	4,737	10,802	7,449
	<u>25,566</u>	<u>28,024</u>	<u>26,670</u>
<b>Total assets</b>	<u><u>33,906</u></u>	<u><u>32,439</u></u>	<u><u>35,114</u></u>
<b>Current liabilities</b>			
Trade and other payables	(8,885)	(11,372)	(9,866)
Corporation tax payable	(48)	-	(159)
<b>Total liabilities</b>	<u>(8,933)</u>	<u>(11,372)</u>	<u>(10,025)</u>
<b>Net assets</b>	<u><u>24,973</u></u>	<u><u>25,145</u></u>	<u><u>25,089</u></u>
<b>Equity</b>			
Share capital	272	273	272
Share premium account	5,734	5,734	5,734
Capital redemption reserve	1,514	1,514	1,514
Retained earnings	17,453	17,625	17,569
<b>Equity shareholders' funds attributable to the owners of the parent</b>	<u><u>24,973</u></u>	<u><u>25,145</u></u>	<u><u>25,089</u></u>

**Consolidated Statement of Changes in Equity**  
**As at 31 December 2021**

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Treasury Shares £'000	Retained earnings £'000	Total Equity £'000
Period to 31 December 2020						
Unaudited						
Balance at 1 July 2020	273	5,734	1,514	-	17,395	24,915
Dividends	-	-	-	-	-	-
Profit and total comprehensive income for the period	-	-	-	-	230	230
Balance at 31 December 2020	273	5,734	1,514	-	17,625	25,145
Period to 31 December 2021						
Unaudited						
Balance at 1 July 2021	272	5,734	1,514	-	17,569	25,089
Dividends	-	-	-	-	-	-
Profit and total comprehensive Income for the period	-	-	-	-	(116)	(116)
Balance at 31 December 2021	272	5,734	1,514	-	17,453	24,973
Year to 30 June 2021						
Audited						
Balance at 1 July 2020	272	5,734	1,514	-	17,395	24,915
Dividends	-	-	-	-	(163)	(163)
Transactions with owners	-	-	-	-	(163)	(163)
Profit and total comprehensive income for the period	-	-	-	-	337	337
Balance at 30 June 2021	272	5,734	1,514	-	17,569	25,089

**Consolidated Statement of Cash Flows**  
**6 months to 31 December 2021**

	<b>6 months Ended</b>	<b>6 months Ended</b>	<b>Year Ended</b>
	<b>31.12.21</b>	<b>31.12.20</b>	<b>30.06.21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Cash from operating activities</b>			
Operating (loss)/profit from continuing operations	(116)	223	337
Depreciation of property, plant and equipment	151	167	350
Amortisation of intangible assets	28	30	56
Profit on disposal of property, plant and equipment	-	-	(13)
Operating profit/(loss) before changes in working capital	63	420	770
Increase in inventories	(2,722)	(2,453)	(2,520)
Decrease/(increase) in trade and other receivables	1,114	(1,070)	(3,003)
(Decrease)/increase in trade and other payables	(981)	3,015	2,923
Cash (used)/generated from operations	(2,526)	(88)	(1,830)
Income taxes paid	(111)	-	(1,302)
Net cash from operating activities	(2,637)	(88)	(3,132)
<b>Cash flows from investing activities</b>			
Interest received	-	7	8
Proceeds from disposal of property, plant and equipment	-	-	17
Purchase of property, plant and Equipment	(75)	(85)	(249)
Net cash from investing activities	(75)	(78)	(224)
<b>Cash flows from financing activities</b>			
Dividends paid to equity shareholders	-	-	(163)
Net cash used in financing activities	-	-	(163)
Net decrease in cash and cash equivalents	(2,712)	(166)	(3,519)
Cash and cash equivalents at beginning of period	7,449	10,968	10,968
Cash and cash equivalents at end of period	4,737	10,802	7,449

## Notes to the financial statements

### 1. Corporate Information

The financial information for the half year ended 31 December 2021 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The auditor's report on the financial statements for the year ended 30 June 2021 was unqualified and did not contain statements under Sections 498(2) and 498(3) of the Companies Act 2006. The interim results are unaudited. Northamber Plc is a public limited company incorporated and domiciled in England and Wales. The company's shares are publicly traded on the London Stock Exchange's AIM market.

### 2. Basis of preparation

These interim consolidated financial statements are for the six months ended 31 December 2021. They have been prepared in accordance with IAS34 Interim Financial Reporting. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the group for the year ended 30 June 2021.

These interim consolidated financial statements (the interim financial statements) have been prepared in accordance with accounting policies adopted in the last annual financial statements for the year to 30 June 2021 except for the adoption of IAS1 Presentation of Financial Statements (Revised 2007).

The adoption of IAS1 (Revised 2007) does not affect the financial position or profits of the group, but gives rise to additional disclosures. The measurement and recognition of the group's assets, liabilities, income and expenses is unchanged. A separate 'Statement of changes in equity' is now presented.

The accounting policies have been applied consistently throughout the group for the purposes of preparation of these interim consolidated financial statements.

### 3. 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.

#### 4. Segmental Reporting

Although the sales of the group are predominantly to the UK there are sales to other countries and the following schedule sets out the split of the sales for the period. Revenue is attributable to individual countries based on the location of the customer. There are no non current assets outside the UK.

	UK	Other	Total
	£'000	£'000	£'000
<b>6 months to December 2021</b>			
Total Segment revenue	31,944	332	32,276
<b>Year to 30 June 2021</b>			
Total Segment revenue	59,137	872	60,009

No customer accounted for more than 10% of the Group's revenue during the period.

#### 5. Taxation

No tax charge has been provided in the interim consolidated financial statements due to the availability of carried forward losses.

#### 6. Earnings per Share

The calculation of earnings per share is based on the Loss after tax for the six months to 31 December 2021 of £116,000 (2020: Profit £230,000) and a weighted average of 27,231,586 (2020: 27,231,586) ordinary shares in issue.

#### 7. Risks and Uncertainties

The principal risks and uncertainties affecting the business activities of the group are detailed in the strategic report which can be found on pages 10 to 12 of the Annual Report and Accounts for the year ended 30 June 2021 (the Annual Report). A copy of the Annual Report is available on the company's web site at [www.northamber.com](http://www.northamber.com).

The risks affecting the business remain the same as in the Annual Report. In summary these include:-

- Market risk particularly those relating to the suppliers of products to the group
- Financial risks including exchange rate risk, liquidity risk, interest rate risk and credit risk
- Brexit risk
- Covid-19 risk

In the opinion of the directors, these will remain the principal risks for the remainder of the year, however, the directors have reviewed the company's risk analysis and are of the opinion that steps have been taken to minimise the potential impact of such risks.

## 9. Related Party Transactions

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

During the six months period, the company paid £150,000 (2020: £150,000) rent to Anitass Limited, a wholly owned subsidiary. At 31 December 2021 Northamber plc owed Anitass Ltd £7,194,000 (2020: £6,325,000).

## 10. Directors' Confirmation

The Directors confirm that to the best of their knowledge these condensed consolidated half year financial statements have been prepared in accordance with IAS 34 and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R, an indication of important events during the first 6 months and descriptions of principal risks and uncertainties for the remaining six months of the year, and DTR 4.2.8R the disclosure of related party transactions and changes therein.