

CONTENTS

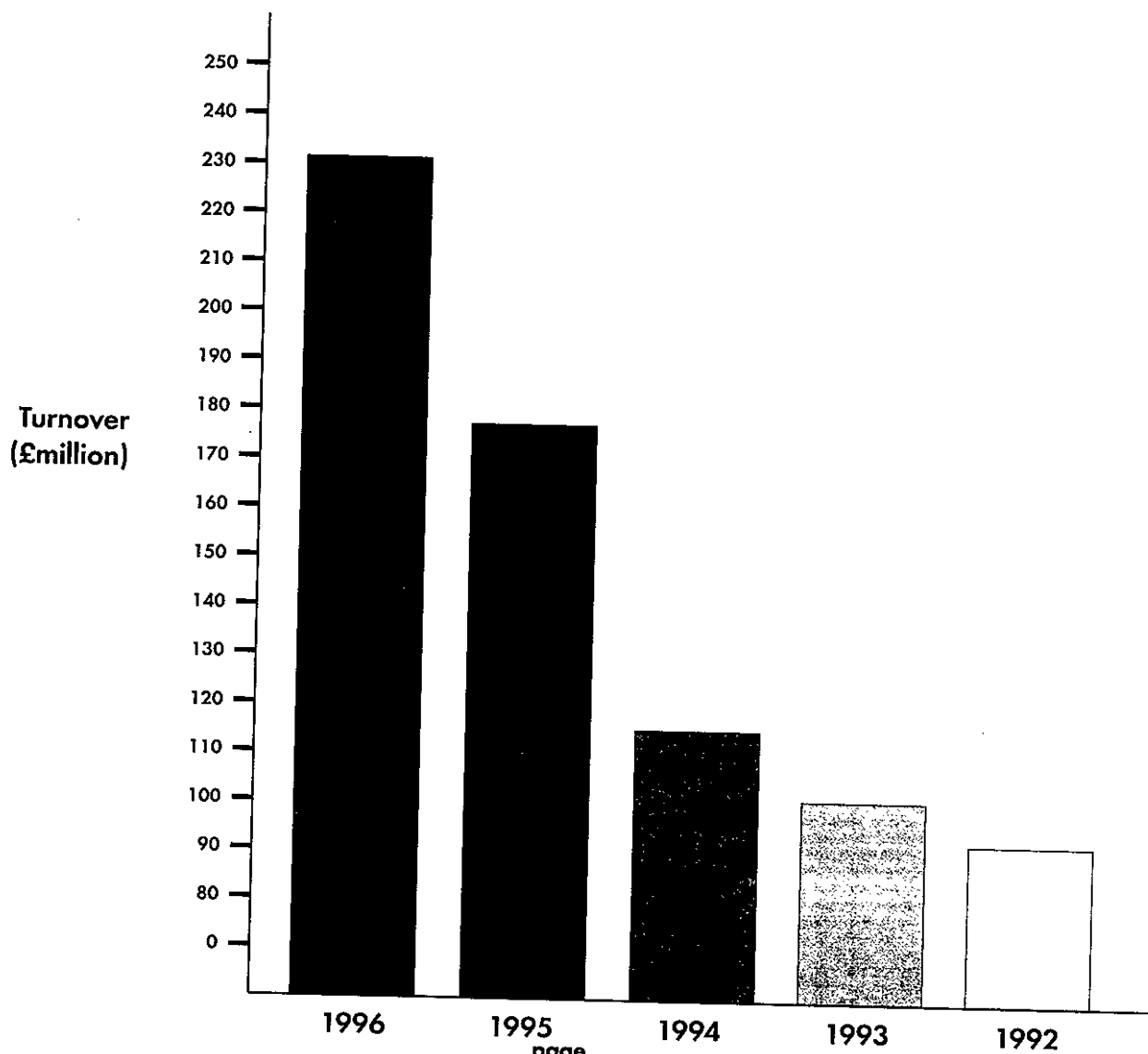
Page

Financial Highlights	Inside Front Cover
Summary of Last Five Years' Trading	2
Chairman's Statement	3
Report of the Directors	4
Report of the Remuneration Committee	9
Directors and Advisers	11
Report of the Auditors	12
Accounting Policies	13
Consolidated Profit and Loss Account	14
Statement of Total Recognised Gains and Losses	14
Consolidated Balance Sheet	15
Company Balance Sheet	16
Consolidated Cashflow Statement	17
Notes to the Accounts	18
Notice of Meeting	27



SUMMARY OF LAST FIVE YEARS' TRADING

	1996 £'000	1995 £'000	1994 £'000	1993 £'000	1992 £'000
Turnover	232,907	178,484	114,463	102,956	93,082
Profit/(Loss) Before Tax	5,567	3,107	669	(973)	(2,745)
Earnings/(Loss) Per Share	27.2p	12.4p	3.1p	(3.9p)	(11.6p)
Net Assets Per Share	117p	94p	83p	80p	85p
Dividends Per Share (net)	2.2p	1.7p	0.8p	0.6p	0.5p



CHAIRMAN'S STATEMENT

Results

The business continued to develop strongly throughout the last year. Profits before tax rose by 79% to £5.6 million (1995: £3.1 million) on sales of £232.9 million (1995: £178.5 million), with earnings per share of 27.2p (1995: 12.4p).

In November 1995 at the interim stage, I referred to a sounder trading background, which continued throughout the second half. This trend is ongoing in the Company's new trading year.

Dividend

The interim dividend was increased to reflect the outlook for the second half. The strength in profits justifies an increase for the year as a whole. The Board will recommend an increase of 33% in the final payment to 1.6p (1995: 1.2p) at the AGM, making a total of 2.2p, as against last year's 1.7p.

Trading

Sales grew strongly throughout the period, assisted by the trend of the upgrade and replacement cycle. Technology continues to move apace with the system and memory demands of newer software and operating systems, such as Internet usage and Windows 95, requiring ever more powerful hardware. There is also very high growth in demand for networked office systems.

In recent statements I have spoken of some moderation in the levels of price based competition after the excessive levels of prior years. Northamber was and is reluctant to chase the vanity of sales; happily it is clear that your Company has improved the value of its share of the market.

The steady improvement in performance has enabled the broadening of our trading activities. Over the past year, the addition of newer, faster growing areas of activity reflects the strength of our leading edge logistical capabilities.

A number of significant relationships have been developed such that Northamber now acts as primary stockist for certain vendors, charging for specialised configuration, handling and delivery services.

The configuration service provides for the customisation of higher level systems to exactly match the ultimate user's requirements. As well as better serving our reseller customers, this employment of our specialised skills base also serves to reduce our need otherwise for higher levels of varied stockholdings.

Whilst evidence of a firmer market continues, there is a never ending quest to control costs as average unit prices continue to fall. The volume of goods handled rose considerably, but remained well within our capacity.

Other Costs

Employment is the most significant direct cost, and the average number of employees rose from 261 to 301. This resulted in sales per head rising from last year's £683,800 to £773,800. Property and infrastructure fixed costs are also material, and there was a rise in these as a result of the additional 42,655 sq.ft. facility at Ripley.

Net interest charges reached £625,000. This cost of funds focuses management attention on improving stock turnover to maximise returns with margin levels so low. Equally, the need to improve those margins requires that all viable early settlement discounts are taken. Average use of our overdraft facilities for the year equated to only five days sales.

The estimated tax charge represented by the declared earnings figure is 16.6%. The Company bought an investment property with the benefit of a twenty year lease to a local authority. The associated capital allowances assisted in reducing the level of charge from the standard corporation tax rate.


Staff

My own thanks, and those of the Board, go most particularly to all of our staff who have so successfully handled these increasing levels of business.

Outlook

The task is to further broaden and strengthen our business base. One example is the new and fast emerging Computer Telephony sector, where we have achieved agreements with both Mitel and Orange. Others include the expansion of our sub-assembly sales activities, configuration and third party logistics. Importantly, we see these newer activities as re-inforcing our existing relationships with our most important suppliers. These incremental growth opportunities in no way detract from our focus on the high volume core business of the Group.

The recovery of our sector over the past couple of years, following the UK recession, has been marked, and current trading conditions continue to be favourable.



David Phillips
Chairman
June 25, 1996

REPORT OF THE DIRECTORS

Principal Activities and Business Review

The Directors have pleasure in presenting their report and the accounts for the year ended 30th April 1996.

The Group's principal activities are those of specialist supplier of computer hardware and software, computer printers and peripheral products, and other electronic transmission equipment. The Company purchased an investment property on 26th April for £2.483 million.

Profit and Dividend

The profit for the year after taxation and dividends will result in the following transfer to reserves:

	£'000
Profit for the year after taxation	4,642
Ordinary dividends	378
Transfer to reserves	<u>4,264</u>

The final dividend will be paid on 1st October 1996 to all members on the register at the close of business on 4th September 1996.

Directors

The Board of Directors as at 30th April 1996 is shown on page 10.

During the year Mr. A. J. S. Ewen retired. At the forthcoming Annual General Meeting Mr. C. M. Thompson will retire. He will be proposed for re-election.

Messrs. D.M. Phillips and H.W. Matthews' service contracts were renewed on 7th May 1996 for a further three year term.

No Director was interested in any contract of significance with the Group.

Non-Executive Directors

Colin Mark Thompson is a former Technical Director of Northamber plc. He has been involved with the Company for many years and runs his own computer consultancy company.

Keith Gordon Sykes is a senior analyst with Credit Lyonnais Securities Limited.

Graham Cole was until recently a partner of Coopers & Lybrand and has been involved with Northamber for over ten years. He is director of corporate finance with Beeson Gregory.

K.G. Sykes and G. Cole comprise Northamber's Remuneration Committee.

REPORT OF THE DIRECTORS (Continued)

Directors' Interests in Shares

Directors in office at the end of the year had the following beneficial interests in the shares of the Company:

	30th April 1996	30th April 1995
Ordinary Shares of 5p each		
D.M. Phillips	8,664,621	8,712,621
H.W. Matthews	371,662	471,662
C.M. Thompson	4,766	2,666
K.G. Sykes	40,000	40,000
G. Cole	-	-
Share Options	30th April 1996	30th April 1995
H.W. Matthews	209,800	130,700

Between 30th April 1996 and 25th June 1996 there have been no changes in the interests of the Directors in the shares of the Company.

The market price of the Company's shares at the end of the financial year was 289p. The range of market prices during the year was 124p to 304p.

Share Options	No	Exercise Price	Exercise Date
H.W. Matthews	130,700	20.0p	4th Dec 1995 - 4 Dec 2002
H.W. Matthews	79,100	147.5p	12th July 1998 - 12 July 2005
30th April 1996	209,800		
30th April 1995	130,700		

Share Options	30th April 1996	30th April 1995
K.G. Sykes	50,000	50,000

The share options of Messrs. K. G. Sykes relate to shares owned beneficially by Mr. D. M. Phillips and were granted at a price of 50p under a private arrangement with him.

Substantial Shareholders

The following shareholders have notified the Company that they held disclosable interests, as defined by The Disclosure of Interests in Shares (Amendment) Regulations 1993, at 13th June 1996 as detailed below:

Material interests

D.M. Phillips

Ordinary Shares of 5p each
(50.42%)

Non-material interests

Glyn Mills Nominees (Lombard Street) Limited	(7.4%)
Royal Bank of Scotland Edinburgh Nominees	(5.2%)
Bank of Scotland London Nominees Ltd	(3.2%)
Nutraco Nominees	(3.9%)

Non-material interests primarily relate to shares held in a non-beneficial capacity, for example as a fund manager.

REPORT OF THE DIRECTORS (Continued)

Auditors	A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.
Creditor Payment Policy	The Group's payment policy is to (i) determine terms of payment with suppliers when agreeing the terms of transactions (ii) ensure that suppliers are made aware of the terms of payment, and (iii) comply with those contractual arrangements.
Employee Communication and Involvement	The Company encourages its staff to pursue career development and to that end has made available resources for training courses including video and computer training aids.
Employment of Disabled Persons	Applications received from disabled persons are given full and equal consideration but are small in number as our type of business does not seem to attract such applicants.
Charitable and Political Donations	Charitable donations in the United Kingdom amounting to £4,950 were made during the year. No political donations were made.
Corporate Governance	<p>The Board comprises two executives and three non-executive Directors who meet 10 times per year. The Board of Directors has reviewed the Cadbury Code of best practice and considers that many of these paragraphs have been fully complied with throughout the year. Generally, paragraphs which would result in a material cost and administrative burden, or which are impractical given the size of the Company, have not been implemented. Those paragraphs which have not yet been complied with are:</p> <ul style="list-style-type: none"> ● establishment of an audit committee ● appointment of non-executive Directors for specified terms ● selection of non-executive Directors through a formal process
Going Concern	After making appropriate enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Group's financial statements.
Internal Financial Control	The management of exposure to risk and loss is fundamental to the Group's operation. The greatest risk perceived by the Board is the depreciation of current assets, both stock and debtors. The Group's system of internal financial control, over which the Board has overall responsibility is a key element in preventing that loss.

REPORT OF THE DIRECTORS (Continued)

The policies of internal financial control are implemented by the executive Directors who take an active role in the day to day management of the Company. In particular they participate in the key decisions surrounding purchasing, stock, sales, debtors and cash. Implementation is assisted by comprehensive and documented procedures being available to all staff via the computer system.

The Board of Directors receives a monthly report from the Managing Director on the performance of the Group and any material actions required to strengthen the internal financial control is brought to their attention.

The Board has reviewed the effectiveness of the system of internal financial control through the monitoring system laid out above. It should be recognised that the system can provide only reasonable and not absolute assurance against material mis-statement or loss.

Our auditors have reported to the Company that in their opinion the Directors' comments above on internal financial control and on going concern provide the disclosures required by paragraphs 4.5 and 4.6 of the Code (as supplemented by the related guidance) and are not inconsistent with the information of which they are aware from their audit work on the financial statements, and the above statement appropriately reflects the Company's compliance with the other paragraphs of the Code specified by the London Stock Exchange for their review. They have not carried out the additional work necessary to, and do not express any opinion on, the effectiveness of either the Group's system of internal financial control or its corporate governance procedures, nor the ability of the Group to continue in operational existence.

Remuneration Committee

The Remuneration Committee consists of Messrs Sykes and Cole. The report from the Remuneration Committee is shown on pages 9 and 10.

REPORT OF THE DIRECTORS (Continued)

Salary Benefits

The Remuneration Committee meets at least once a year in order to consider and set the annual salaries for executive Directors, having regard to personal performance and independently compiled salary survey information.

Directors' Responsibilities

The Directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit of the Group for that period. In preparing the financial statements, appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made. The financial statements are prepared in accordance with relevant applicable accounting standards and on a going concern basis. The Directors are responsible for maintaining proper accounting records, for safeguarding the assets of the Group, and for preventing and detecting fraud and other irregularities.

Insurance of Directors

The Group maintains full insurance for the Directors in respect of their duties.

By Order of the Board



Secretary.
25th June 1996



REPORT OF THE REMUNERATION COMMITTEE

The Remuneration Committee is comprised exclusively of non-executive Directors, Messrs. Sykes and Cole.

The Company's Remuneration Committee 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;
- (c) the need to ensure executive Directors' commitment to the continued success of the Company by means of incentive schemes.

Remuneration of Non-Executive Directors

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 or in the share option scheme. The non-executive Directors do not have service contracts with the Company.

Remuneration Policy for Executive Directors

The Company 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 Group's long-term performance through the award of share options and incentive schemes.
- (c) Provide post-retirement benefits through the Group's pension schemes, but where necessary using unfunded schemes to give broadly similar benefits.
- (d) Provide employment related benefits including the provision of a company car, life assurance, insurance relating to the Director's duties and medical insurance.

Salaries and Benefits

The Remuneration Committee meets at least once a year in order to consider and set the annual salaries for executive Directors, having regard to personal performance and independently compiled salary survey information.

REPORT OF THE REMUNERATION COMMITTEE (Continued)

Share Options

During the year 79,100 options were issued to H. W. Matthews at the mid-point market price of 147.5p.

Contracts of Service

Both of the executive Directors have fixed term contracts of service which were renewed on 7th May 1996 for a further three years.

Details of Directors' emoluments are as follows:

	Salaries and Fees		Benefits		Annual Bonus		Total	Pension		
	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995
Executives										
D. M. Phillips	116	115	23	23			139	138	24	12
H. W. Matthews	124	116	20	18		30	144	164	24	13
Non-Executive										
C. M. Thompson		20						20		
K. G. Sykes	10	13					10	13		
G. Cole	7						7			
A. J. S. Ewen		13						13		
	257	277	43	41		30	300	348	48	25

No Directors waived emoluments in respect of either year.

G. Cole *G. Cole*

G. Cole
Remuneration Committee
25th June 1996

DIRECTORS AND ADVISERS

Directors

David Michael Phillips (Chairman)
Henry William Matthews
Colin Mark Thompson*
Graham Cole*†
Keith Gordon Sykes*†

Non-Executive*

Member of Remuneration Committee †

Secretary

M. Lee B.Sc, FCA

Head Office/Registered Office

1 Lion Park Avenue
Chessington
Surrey KT9 1ST
Registered in England No 1499584

Registrars

The Royal Bank of Scotland plc
Registrar's Department
PO Box 435
Owen House
8 Bankhead Crossway North
Edinburgh EH11 4BR

Registered Auditors

Coopers & Lybrand
1 Embankment Place
London WC2N 6NN

Bankers

Allied Irish Bank, plc
West End Branch
10 Berkeley Square
London W1X 6DN

Stockbrokers

Merrill Lynch
20 Farringdon Road
London EC1M 3NH

REPORT OF THE AUDITORS TO THE MEMBERS OF NORTHAMBER PLC

To the members of Northamber plc

We have audited the financial statements on pages 13 to 26

Respective responsibilities of Directors and Auditors

As described on page 8 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 30th April 1996 and of the profit, total recognised gains and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand
Coopers & Lybrand

COOPERS & LYBRAND

Chartered Accountants and Registered Auditors
London
25th June 1996

ACCOUNTING POLICIES

Basis of Accounting

The accounts are prepared in accordance with applicable accounting standards in the United Kingdom under the historical cost convention.

Basis of Consolidation

The Group accounts comprise the consolidated results of the Company and its subsidiaries made up to 30th April.

Fixed Assets

Fixed assets are stated at cost, or valuation, less depreciation.

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated economic lives at the following annual rates:

Freehold premises	2% straight line on buildings
Short leasehold improvements	period of lease
Short leasehold premises	period of lease
Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stocks.

Foreign Currencies

The results, assets and liabilities of the Irish subsidiary denominated in foreign currency is translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences arising on the translation of opening net investment in subsidiaries are dealt with through reserves and are reported in the statement of total recognised gains and losses. Transactions made during the year in foreign currencies are translated into sterling at the rates of exchange at the date of the transactions. Exchange differences arising during the year are taken to the profit and loss account.

Operating Lease

Costs in respect of operating leases are charged as they become payable.

Contributions to Personal Pension Plans

The Company contributes towards the personal pension plans of eligible employees and Directors. These are defined contribution plans and are insured with the Scottish Equitable. Payments to the plans are charged to the profit and loss account in the year in which they are payable.

Turnover

Turnover represents the total amount invoiced for the provision of goods and services, excluding value added tax.

Deferred Taxation

Provision is made for deferred taxation using the liability method in respect of timing differences to the extent that it is probable that a liability will arise in the foreseeable future.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30th April 1996

	Notes	Total 1996 £'000	Total 1995 £'000
Turnover	2	232,907	178,484
Cost of sales		(216,719)	(165,251)
Gross profit		16,188	13,233
Net operating expenses	3	(9,996)	(9,663)
Operating profit		6,192	3,570
Interest receivable		25	27
Interest payable	5	(650)	(490)
Profit on ordinary activities before taxation		5,567	3,107
Taxation	6	(925)	(997)
Profit on ordinary activities after taxation		4,642	2,110
Dividend	7	(378)	(289)
Retained profit for year	8	4,264	1,821
Earnings per ordinary share	9	27.2p	12.4p

All operations are continuing

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and the historical cost equivalents.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 30th April 1996

	1996 £'000	1995 £'000
Profit for the financial year	4,642	2,110
Currency translation differences on foreign currency net investments	(149)	(1)
Total recognised gains relating to the year	4,493	2,109

CONSOLIDATED BALANCE SHEET

At 30th April 1996

	Notes	1996 £'000	1995 £'000
Fixed assets			
Tangible assets	10	3,890	2,644
Investments	11	2,483	-
		<u>6,373</u>	<u>2,644</u>
Current assets			
Stocks	12	16,331	10,914
Debtors	13	34,781	30,618
Cash at bank and in hand		329	642
		<u>51,441</u>	<u>42,174</u>
Current liabilities			
Creditors - amounts falling due within one year	14	<u>36,354</u>	<u>28,918</u>
Net current assets		<u>15,087</u>	<u>13,256</u>
Total assets less current liabilities		<u>21,460</u>	<u>15,900</u>
Creditors - amounts falling due after more than one year	15	1,398	-
Net Assets		<u><u>20,062</u></u>	<u><u>15,900</u></u>
Capital and reserves			
Called up share capital	17	859	850
Share premium account	18	6,522	6,484
Capital redemption reserve		46	46
Profit and loss account	18	12,635	8,520
Equity Shareholders' Funds		<u><u>20,062</u></u>	<u><u>15,900</u></u>

COMPANY BALANCE SHEET

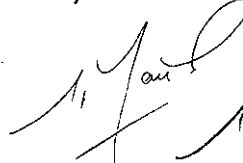
At 30th April 1996

	Notes	1996 £'000	1995 £'000
Fixed assets			
Tangible assets	10	3,890	2,644
Investments	11	<u>2,691</u>	<u>-</u>
		6,581	2,644
Current assets			
Stocks	12	16,331	10,914
Debtors	13	34,716	30,686
Cash at bank and in hand		318	376
		<u>51,365</u>	<u>41,976</u>
Current liabilities			
Creditors - amounts falling due within one year	14	36,450	28,842
Net current assets		<u>14,915</u>	<u>13,134</u>
Total assets less current liabilities		<u>21,496</u>	<u>15,778</u>
Creditors - amounts falling due after more than one year	15	1,398	-
Net Assets		<u>20,098</u>	<u>15,778</u>
Capital and reserves			
Called up share capital	17	859	850
Share premium account	18	6,521	6,484
Capital redemption reserve		46	46
Profit and loss account	18	<u>12,672</u>	<u>8,398</u>
Equity Shareholders' Funds		<u>20,098</u>	<u>15,778</u>

The accounts on pages 13 to 28 were approved by the Board of Directors on 25th June 1996 and were signed on its behalf by:-



D.M. Phillips
Chairman



H.W. Matthews
Managing Director

CONSOLIDATED CASHFLOW STATEMENT

For the year ended 30th April 1996

	Notes	1996 £'000	1995 £'000
Net cash inflow/(outflow) from operating activities	20	<u>2,536</u>	<u>(3,276)</u>
Returns on investments and servicing of finance			
Interest received		25	27
Interest paid		(646)	(460)
Dividend paid		<u>(307)</u>	<u>(221)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(928)</u>	<u>(654)</u>
Taxation			
UK corporation tax paid (including advance corporation tax)		<u>(693)</u>	<u>(74)</u>
Taxation paid		<u>(693)</u>	<u>(74)</u>
Investing activities			
Purchase of tangible fixed assets		(1,887)	(390)
Purchase of fixed asset investment		(2,483)	-
Receipts from sales of tangible fixed assets		<u>161</u>	<u>60</u>
Net cash outflow from investing activities		<u>(4,209)</u>	<u>(330)</u>
Net cash outflow before financing		<u>(3,294)</u>	<u>(4,334)</u>
Financing			
Issue of ordinary share capital		47	2
New secured loan		<u>1,398</u>	<u>-</u>
Cash inflow from financing		<u>1,445</u>	<u>2</u>
Decrease in cash and cash equivalents	20	<u><u>(1,849)</u></u>	<u><u>(4,332)</u></u>

NOTES TO THE ACCOUNTS

1. Company profit and loss account

As permitted by section 230 of the Companies Act 1985, the Company's profit and loss account has not been included in these financial statements.

2. Turnover and profit on ordinary activities before taxation

	Turnover		Profit on ordinary activities before taxation	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
Dealing in computers, computer printers and peripheral equipment	232,907	178,484	5,567	3,107
By geographical area:-				
United Kingdom	232,035	177,034	5,567	3,107
Rest of Europe	872	1,450	-	-
	<u>232,907</u>	<u>178,484</u>	<u>5,567</u>	<u>3,107</u>

There is no material difference between turnover by destination and by origin.

3. Net operating expenses

	1996 Total £'000	1995 Total £'000
Other operating income	(1,655)	(1,055)
Profit on exchange	(171)	(76)
Staff costs (see note 4)	6,799	5,764
Depreciation of tangible fixed assets	497	371
(Profit)/loss on sale of tangible fixed assets	(17)	11
Other operating charges	4,495	4,610
Auditors' remuneration - audit services	40	38
other services	8	-
	<u>9,996</u>	<u>9,663</u>

Auditors' remuneration in respect of audit services includes £40,000 in respect of Northamber plc (1995:£38,000) and £8,000 (1995: Nil) for other services to the Group companies.

NOTES TO THE ACCOUNTS (Continued)

4. Directors and employees

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

	1996 Number	1995 Number
Sales	125	106
Administration	80	76
Warehouse	63	55
Engineering	33	24
	<u>301</u>	<u>261</u>

	£'000	£'000
Staff costs:		
Wages and salaries	5,850	5,080
Social security costs	664	521
Other pension costs	285	163
	<u>6,799</u>	<u>5,764</u>

The remuneration paid to Directors of the Company was as follows:

	£'000	£'000
Fees	17	46
Salary payments (including benefits in kind)	283	272
Annual incentive payments	-	30
Pension contributions	48	25
	<u>348</u>	<u>373</u>

Further details of Directors' remuneration is dealt with in the Remuneration Committee report on pages 9 and 10.

NOTES TO THE ACCOUNTS (Continued)

The number of Directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1996 Number	1995 Number
£0-£5,000	2	-
£5,001-£10,000	2	-
£10,001-£15,000	-	2
£15,001-£20,000	-	1
£135,001-£140,000	1	1
£140,001-£145,000	1	-
£160,001-£165,000	-	1

	1996 £'000	1995 £'000
5. Interest payable		
On bank overdrafts and other loans: Repayable within 5 years, not by installments	<u>650</u>	<u>490</u>
6. Taxation on ordinary activities		
United Kingdom corporation tax: Current at 33%	<u>925</u>	<u>997</u>

The corporation tax charge for the year is £925,000 after a reduction of £912,000, following a claim for Industrial Buildings Allowance relief.

7. Dividend (net)	Ordinary interim dividend paid of 0.6p per share (1995: 0.5p per share)	103	85
	Ordinary final dividend proposed of 1.6p per share (1995: 1.2p per share)	<u>275</u>	<u>204</u>
		<u>378</u>	<u>289</u>
8. Profit for the year	Dealt with in the accounts of the Company	<u>4,652</u>	<u>2,376</u>
9. Earnings per ordinary share	The calculation of earnings per ordinary share is based on the profit after taxation of £4,642,000 (1995: £2,110,000) and on 17,074,931 ordinary shares (1995: 16,988,765), being the weighted average number of ordinary shares in issue during the year.		

NOTES TO THE ACCOUNTS (Continued)

10. Tangible fixed assets

	Freehold premises £'000	Leasehold improvements £'000	Leasehold premises £'000	Plant and machinery £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Group							
Cost							
At 1st May 1995	1,000	518	675	2,933	129	624	5,879
Additions	-	338	-	889	35	625	1,887
Disposals	-	(11)	-	(718)	-	(380)	(1,109)
At 30th April 1996	1,000	845	675	3,104	164	869	6,657
Depreciation							
At 1st May 1995	57	144	21	2,549	118	346	3,235
Charge for the year	7	56	5	224	10	195	497
Eliminated on disposals	-	(9)	-	(663)	-	(293)	(965)
At 30th April 1996	64	191	26	2,110	128	248	2,767
Net book value							
At 30th April 1996	936	654	649	994	36	621	3,890
Net book value At 30th April 1995	943	374	654	384	11	278	2,644
Company							
Cost							
At 1st May 1995	1,000	518	675	2,915	118	624	5,850
Additions	-	338	-	889	35	625	1,887
Disposals	-	(11)	-	(718)	-	(380)	(1,109)
At 30th April 1996	1,000	845	675	3,086	153	869	6,628
Depreciation							
At 1st May 1995	57	144	21	2,531	107	346	3,206
Charge for the year	7	56	5	224	10	195	497
Eliminated on disposals	-	(9)	-	(663)	-	(293)	(965)
At 30th April 1996	64	191	26	2,092	117	248	2,738
Net book value							
At 30th April 1996	936	654	649	994	36	621	3,890
Net book value At 30th April 1995	943	374	654	384	11	278	2,644

NOTES TO THE ACCOUNTS (Continued)

11. Investments

	Notes	Group 1996 £'000	Group 1995 £'000	Company 1996 £'000	Company 1995 £'000
Shares in Group Companies	a)	-	-	-	-
Loan to Group Company	b)	-	-	208	-
Freehold investment property	c)	2,483	-	2,483	-
		<u>2,483</u>	<u>-</u>	<u>2,691</u>	<u>-</u>

a) Shares in Group Companies

Northamber plc has the following principal subsidiaries, which are engaged in aspects of the Group's activity as a specialist supplier of computer hardware and software, computer printers and peripheral products and other electronic transmission equipment:

Name	Country of incorporation or registration	Description of holding	Proportion held
Peripherals Distribution Limited	England	Ordinary shares	100%
Xitan Limited	England	Ordinary shares	100%
Studley Limited (Dormant)	Ireland	Ordinary shares	88%

	1996 £'000	Company 1995 £'000
Shares in Group Companies at cost	33	33
Provision	(33)	(33)
	<u>-</u>	<u>-</u>

b) Loan to Group Company

Loan	815	815
Provision	(607)	(815)
	<u>208</u>	<u>-</u>

c) Freehold investment property

The investment property was bought on 26th April 1996 at a cost of £2,483,000

NOTES TO THE ACCOUNTS (Continued)

12. Stocks	Group		Company	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
Stocks comprise:				
Goods for resale	<u>16,331</u>	<u>10,914</u>	<u>16,331</u>	<u>10,914</u>
13. Debtors	Amounts falling due within one year:			
	Trade debtors	34,042	29,983	33,600
	Amount owed by subsidiaries	-	-	377
	Corporation tax	-	-	-
	Advance corporation tax	85	51	85
	Other debtors	430	303	430
	Prepayments and accrued income	224	281	224
	<u>34,781</u>	<u>30,618</u>	<u>34,716</u>	<u>30,686</u>
Advance corporation tax recoverable is due after more than one year.				
14. Creditors	Amounts falling due within one year:			
	Bank overdraft (secured see note 22)	5,367	3,831	5,367
	Trade creditors	27,517	22,757	27,513
	Amount owed to subsidiaries	-	-	214
	Corporation tax	967	719	866
	Advance corporation tax	69	51	69
	Other taxation and social security payable	1,054	480	1,054
	Other creditors	74	167	74
	Accruals and deferred income	1,031	709	1,018
	Dividend payable	275	204	275
	<u>36,354</u>	<u>28,918</u>	<u>36,450</u>	<u>28,842</u>
15. Creditors repayable in five years or more	Bank loans and overdrafts			
	Mortgage secured on the investment property and the income therefrom repayable 2001-2004.			
	Fixed rate at 7.1%	980	-	980
	Variable at 1% above LIBOR	418	-	418
	<u>1,398</u>	<u>-</u>	<u>1,398</u>	<u>-</u>
16. Deferred taxation	The full potential deferred tax liability for which no provision is considered necessary, calculated under the liability method at a rate of 33% is			
	1996 £000	1995 £000	1996 £000	1995 £000
	Excess of tax allowance over depreciation	789	(64)	789
	Other timing differences	-	(33)	-
	<u>789</u>	<u>(97)</u>	<u>789</u>	<u>(97)</u>

NOTES TO THE ACCOUNTS (Continued)

17. Called up share capital

	1996 Number of ordinary shares	1995 Number of ordinary shares	1996 £'000	1995 £'000
Authorised:				
Ordinary shares of 5p each	<u>21,000,000</u>	<u>21,000,000</u>	<u>1,050</u>	<u>1,050</u>
Allotted, called up and fully paid:				
Ordinary shares of 5p each	<u>17,184,348</u>	<u>16,993,348</u>	<u>859</u>	<u>850</u>
Shares allotted during the year on exercise of options		Number 191,000	Nominal Value £ 9,550	Consideration £ 46,440

At 30th April 1996, options over 316,800 ordinary shares of 5p each remained outstanding. This includes options for the Director of 209,800 ordinary shares disclosed in the Directors' Report. They are exercisable at prices between 20.0p and 147.5p per share between 4th January 1994 and 13th July 2005. The aggregate value of subscription prices of these options is £225,738.

18. Reserves

	Group		Company	
	Share Premium Account £'000	Profit and Loss Account £'000	Share Premium Account £'000	Profit and Loss Account £'000
At 1st May 1995	6,484	8,520	6,484	8,398
Net exchange differences	-	(149)	-	-
Profit for year	-	4,264	-	4,274
Premium on shares issued	38	-	38	-
At 30th April 1996	<u>6,522</u>	<u>12,635</u>	<u>6,522</u>	<u>12,672</u>

19. Reconciliation of movements in shareholders' funds

	1996 £'000	1995 £'000
Profit for the financial year	4,642	2,110
Dividends	(378)	(289)
Other recognised losses relating to the year (net)	4,264	1,821
Increase in share capital	(149)	(1)
Increase in share premium account	9	1
Net increase in shareholders' funds	38	1
Opening shareholders' funds	4,162	1,822
Closing shareholders' funds	15,900	14,078
	<u>20,062</u>	<u>15,900</u>

NOTES TO THE ACCOUNTS (Continued)

20. Cashflow

a) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	1996	Group	1995
	£'000		£'000
Operating profit	6,192		3,570
Depreciation charge	496		371
(Profit)/loss on sale of tangible fixed assets	(17)		11
Increase in stocks	(5,417)		(2,454)
Increase in debtors	(4,129)		(10,575)
Increase in creditors	5,411		5,801
	<u>2,536</u>		<u>(3,276)</u>

	£'000	£'000
b) Analysis of changes in cash and cash equivalents		
Balance at 1st May	(3,189)	1,143
Net cash outflow	(1,849)	(4,332)
Balance at 30th April	<u>(5,038)</u>	<u>(3,189)</u>

c) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1996	1995	Change in year 1996	Change in year 1995
	£'000	£'000	£'000	£'000
Cash at bank and in hand	329	642	(313)	(1,011)
Bank overdraft	(5,367)	(3,831)	(1,536)	(3,321)
Balance at 30th April	<u>(5,038)</u>	<u>(3,189)</u>	<u>(1,849)</u>	<u>(4,332)</u>

NOTES TO THE ACCOUNTS (Continued)

21. Capital commitments

There were no capital commitments at 30th April 1996 and 30th April 1995.

22. Financial commitments

At 30th April 1996 the Group had annual commitments under non-cancellable operating leases as follows

	1996	1995
	£000	£000
Expiring within one year	-	29
Expiring between two and five years	171	-
Expiring in over five years	385	556
	<u>556</u>	<u>585</u>

23. Guarantees

On 1st November 1994 the following Group companies entered into an unlimited cross guarantee and debenture arrangement with the Group's bankers, Allied Irish Bank, plc: Northamber plc, Xitan Limited, Peripherals Distribution Limited, Solution Technology Limited, Thripple-Thrift Limited and Meganet Limited.

The above guarantee is secured by a legal mortgage on the Company's leasehold and freehold properties, a fixed charge on all book debts and a floating charge over all other assets. As at 30th April 1996 the aggregate of overdrafts relating to these companies was £5,366,881.

In the ordinary course of business the Company has given a guarantee to H.M. Customs & Excise in respect of deferred value added tax and duty.

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Northamber plc will be held at 1, Lion Park Avenue, Chessington, Surrey KT9 1ST on 6th September 1996 at 12 noon for the following purposes:-

1. To receive and adopt the Company's accounts for the year ended 30th April 1996 and the Directors' and auditors' reports thereon.
2. To declare a dividend on the ordinary shares of the Company.
3. To re-elect Mr C. M. Thompson as a Director.
4. To re-appoint Coopers & Lybrand as auditors and to authorise the Directors to fix their remuneration.
5. To consider and, if thought fit, pass the following resolutions which will be proposed as special resolutions, apart from resolution 5(1), which will be proposed as an ordinary resolution.

ORDINARY RESOLUTION

(1) THAT, in accordance with Section 80 of the Companies Act 1985 ("the Act"), the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in Section 80 of the Act) up to an aggregate nominal amount of £190,783 provided that this authority (unless previously revoked or renewed) shall expire on 5th September 1997 save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

(2) THAT, conditionally upon the passing of the resolution numbered 5(1) above, in accordance with section 95 (1) of the Companies Act 1985 ("the Act"), the Directors be and are hereby given power for the period commencing on and with effect from the date of adoption of this resolution and expiring on the earlier of 5th December 1997 and the date of the next Annual General Meeting of the Company to allot equity securities (as defined in Section 94(2) of the Act) pursuant to the authority conferred by the resolution numbered 5(1) above as if Section 89 (1) of the Act did not apply to such allotment provided that the power hereby conferred shall be limited to:-

(a) the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal problems under the laws of any territory or the requirements of any recognised regulatory body or stock exchange; and

(b) the allotment of equity securities (otherwise than pursuant to sub-paragraph (a) hereof) up to a maximum nominal value of £15,840;

and the power conferred by this resolution 5(2) shall allow and enable the Directors to make an offer or agreement before the expiry of that power which would require such equity securities to be allotted after such expiry.

NOTICE OF MEETING (Continued)

(3) THAT the Company be and is hereby unconditionally and generally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985 of ordinary shares of 5p in the capital of the Company, provided that:

(a) the maximum number of shares hereby authorised to be acquired is 1,718,435 representing 10 per cent of the present issued share capital;

(b) the minimum price which may be paid for such shares is 5p per share (exclusive of all expenses)

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

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

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

By Order of the Board

M. Lee B.Sc. F.C.A Secretary
25th June 1996

Registered office: 1 Lion Park Avenue,
Chessington, Surrey KT9 1ST

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; and
 - (b) the Register of Directors' Interests.