INTERIM REPORT

FOR THE SIX MONTHS ENDED

30TH JUNE 2015

Performance
Group sales revenue for the first six months of 2015 increased by 11.6% to £13,487,000 (2014 - £12,088,000) but profit before tax reduced from £513,000 to £406,000. Profit after tax fell to £282,000 compared to £363,000 for the comparable period of 2014.

This decrease in the group result was largely caused by the exceptional issues outlined in the divisional trading updates below.

Dividends
The directors have decided to maintain the first interim dividend at 2.90p per share (2014 – 2.90p). This dividend will be paid on the 18th October 2015 to the Ordinary and `A` Ordinary shareholders on the register on 9th October 2015. The associated ex-dividend date will be 8th October 2015.

Braime Pressings Limited
Due to unanticipated technical problems with two of the recently installed production lines, the company was initially unable to achieve the production rates and the output expected from the two standard shifts. This led to significant additional labour and energy costs to satisfy increased demand. This fall in productivity has slowly begun to be reversed but a substantial and continuing improvement in productivity is essential for the company to return to profitability.

Since April 2015, as part of the move to free the area of buildings being sold to the Leeds Advanced Manufacturing UTC Limited, who are building the University Technical College (UTC), Braime Pressings faced exceptional costs of circa £110,000 in condensing and improving its facilities. While major external costs have been capitalised, these costs have been charged to the Income Statement.

4B Division
All of the distribution companies in the 4B division, with the exception of the UK, have enjoyed very positive starts to the year. Our US division has benefited from the, albeit small, increase in the value of the US Dollar and the corresponding fall in the costs of its imported products.

Elsewhere, the fall of local currencies, relative to Sterling, have reduced the positive effect of otherwise growing local sales revenue in the consolidated result of the group.

During the period the UK part of our 4B division, operating in the material handling market, has changed its name from Braime Elevator Components Limited to 4B Braime Components Limited. This change was made in order to better reflect the broader range of products that it now manufactures and distributes internationally.

4B Braime Components Limited
4B Braime Components makes a significant portion of its overall sales directly to its exclusive distributors in Europe. These prices are set in Euros at the start of each year. The Euro fell against Sterling by about 15% in a very short time frame and this had a large negative impact on the gross margin.

Overall the result for the first six months of 2015 was well above the same period for last year but well below budget due to the negative effect of the changes in exchange rates.

Cash and Investments
On the basis of the sale of 25% of the manufacturing site, agreed early in 2015, for the planned UTC, the company is re-investing circa £1,100,000, which is the majority of the expected proceeds, in the modernisation of its UK facility.

Cash and Investments - continued

These improvements will have a positive effect on the operating performance, particularly of our 4B division. The company has already vacated the area needed for the UTC and the majority of the modernisation work will be completed in October this year. The funds raised by the sale are conditional on the UTC gaining planning consent from Leeds City Council, this is expected by the end of September. As a result of the need to finance our investment in advance of completion of the sale, now expected in October 2015, our cash flow has had to be very carefully managed and other investment projects have had to be postponed.

Outlook

Revenues remain strong, although there has been a slowdown in the UK operating subsidiaries in July and August. The principal concerns remain the urgent need for productivity improvements in our UK manufacturing business and the current level of exchange rates and the corresponding negative effect this may have on the final result for the year.

T.F. & J.H. Braime (Holdings) P.L.C.

Consolidated income statement

Interim results

For the six months ended 30th June 2015

	Note	**Unaudited 6 months to 30th June 2015 £**	Unaudited 6 months to 30th June 2014 £	Audited year to 31st December 2014 £
Revenue		**13,487,175**	12,088,143	24,291,700
Changes in inventories of finished goods and work in progress		**424,534**	329,014	161,071
Raw materials and consumables used		**(7,975,378)**	(7,087,247)	(13,535,766)
Employee benefits costs		**(2,848,956)**	(2,481,461)	(5,309,357)
Depreciation expense		**(342,441)**	(238,243)	(564,244)
Other expenses		**(2,305,874)**	(2,041,763)	(3,807,604)
Profit from operations		**439,060**	568,443	1,235,800
Profit on disposal of tangible fixed assets		**14,750**	-	2,796
Finance costs		**(53,505)**	(55,632)	(115,291)
Finance income		**5,870**	43	2,164
Profit before tax		**406,175**	512,854	1,125,469
Tax expense		**(123,833)**	(149,241)	(343,340)
Profit for the period		**282,342**	363,613	782,129
Profit attributable to :				
Owners of the parent		**305,646**	363,613	864,011
Non-controlling interests		**(23,304)**	-	(81,882)
		282,342	363.613	782,129
Basic and diluted earnings per share	2	**19.61p**	25.25p	54.31p

T.F. & J.H. Braime (Holdings) P.L.C.

Consolidated statement of comprehensive income

For the six months ended 30th June 2015

	Unaudited 6 months to 30th June 2015 £	Unaudited 6 months to 30th June 2014 £	Audited year to 31st December 2014 £
Profit for the period	**282,342**	363,613	782,129
Items that will not be reclassified subsequently to profit or loss			
Net remeasurement gain on post employment benefits	**-**	-	44,000
Items that may be reclassified subsequently to profit or loss			
Foreign exchange (losses)/gains on re-translation of overseas operations	**(167,627)**	(26,226)	10,819
Other comprehensive income for the period	**(167,627)**	(26,226)	54,819
Total comprehensive income for the period	**114,715**	337,387	836,948
Total comprehensive income attributable to:			
Owners of the parent	**138,019**	337,387	918,830
Non-controlling interests	**(23,304)**	-	(81,882)
	114,715	337,387	836,948

The foreign currency movements arise on the re-translation of overseas subsidiaries' opening balance sheets at closing rates.

T.F. & J.H. Braime (Holdings) P.L.C.

Consolidated balance sheet

At 30th June 2015

	Unaudited 6 months to 30th June 2015 £	Unaudited 6 months to 30th June 2014 £	Audited year to 31st December 2014 £
Non-current assets			
Property, plant and equipment	**4,414,976**	3,142,566	4,056,506
Goodwill	**12,270**	12,270	12,270
Financial assets	**77,096**	-	101,853
Total non-current assets	**4,504,342**	3,154,836	4,170,629
Current assets			
Inventories	**5,218,773**	5,112,346	4,888,183
Trade and other receivables	**5,028,829**	5,017,522	4,911,108
Financial assets	**49,056**	-	98,147
Cash and cash equivalents	**801,577**	720,100	1,357,769
Total current assets	**11,098,235**	10,849,968	11,255,207
Total assets	**15,602,577**	14,004,804	15,425,836
Current liabilities			
Bank overdraft	**1,094,170**	837,994	1,505,988
Trade and other payables	**4,178,533**	3,662,158	3,752,594
Other financial liabilities	**1,278,021**	1,241,095	1,323,095
Corporation tax liability	**37,867**	190,588	187,054
Total current liabilities	**6,588,591**	5,931,835	6,768,731
Non-current liabilities			
Financial liabilities	**1,442,491**	1,037,833	1,111,045
Deferred income tax liability	**191,623**	116,000	191,623
Total non-current liabilities	**1,634,114**	1,153,833	1,302,668
Total liabilities	**8,222,705**	7,085,668	8,071,399
Total net assets	**7,379,872**	6,919,136	7,354,437
Capital and reserves			
Share capital	**360,000**	360,000	360,000
Capital reserve	**257,319**	77,319	257,319
Foreign exchange reserve	**(79,386)**	51,196	88,241
Retained earnings	**6,947,125**	6,430,621	6,730,759
Total equity attributable to the shareholders of the parent	**7,485,058**	6,919,136	7,436,319
Non-controlling interests	**(105,186)**	-	(81,882)
Total equity	**7,379,872**	6,919,136	7,354,437

T.F. & J.H. Braime (Holdings) P.L.C.

Consolidated cash flow statement

For the six months ended 30th June 2015

	Note	**Unaudited 6 months to 30th June 2015**	Unaudited 6 months to 30th June 2014	Audited year to 31st December 2014
		£	£	£
Operating activities				
Net profit		**282,342**	363,613	782,129
Adjustments for:				
Depreciation		**342,441**	238,243	564,244
Grants amortised		**(828)**	(828)	(1,656)
Non-cash operating charges		**-**	-	-
Foreign exchange (losses)/gains		**(163,125)**	(24,057)	15,279
Finance income		**(5,870)**	(43)	(2,164)
Finance expense		**53,505**	55,632	115,291
Gain on sale of plant, machinery and motor vehicles		**(14,750)**	-	(2,796)
Adjustment in respect of defined benefit scheme		**-**	-	46,000
Income tax expense		**123,833**	149,241	343,340
Operating activities before changes in working capital and provisions		**617,548**	781,801	1,859,667
Increase in trade and other receivables		**(117,721)**	(1,066,255)	(1,044,846)
Increase in inventories		**(330,590)**	(293,146)	(68,983)
Increase in trade and other payables		**276,825**	991,247	1,114,877
		(171,486)	(368,154)	1,048
Cash generated from operations		**446,062**	413,647	1,860,715
Income taxes paid		**(273,020)**	(4,680)	(41,685)
Investing activities				
Purchases of property, plant, machinery and motor vehicles		**(536,905)**	(263,599)	(1,368,985)
Sale of plant, machinery and motor vehicles		**14,750**	-	14,540
Interest received		**5,870**	43	164
		(516,285)	(263,556)	(1,354,281)
Financing activities				
Proceeds from long term borrowings		**425,000**	-	200,000
Loan financing repaid/(provided)		**73,848**	-	(200,000)
Repayment of borrowings		**(99,351)**	(91,348)	(272,688)
Repayment of hire purchase creditors		**(57,843)**	(103,327)	(170,231)
Interest paid		**(53,505)**	(55,632)	(115,291)
Dividend paid		**(89,280)**	(89,280)	(131,040)
		198,869	(339,587)	(689,250)
Decrease in cash and cash equivalents		**(144,374)**	(194,176)	(224,501)
Cash and cash equivalents, beginning of period		**(148,219)**	76,282	76,282
Cash and cash equivalents (including overdrafts), end of period	**3**	**(292,593)**	(117,894)	(148,219)

T.F. & J.H. Braime (Holdings) P.L.C.

Consolidated statement of changes in equity

For the six months ended 30th June 2015

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Non-Controlling Interests £	Total Equity £
Balance at 1st January 2015	**360,000**	**257,319**	**88,241**	**6,730,759**	**7,436,319**	**(81,882)**	**7,354,437**
Comprehensive income							
Profit	-	-	-	**305,646**	**305,646**	**(23,304)**	**282,342**
Other comprehensive income							
Net remeasurement gain recognised directly in equity	-	-	-	-	-	-	-
Foreign exchange losses on re-translation of overseas operations	-	-	**(167,627)**	-	**(167,627)**	-	**(167,627)**
Total other comprehensive income	-	-	**(167,627)**	-	**(167,627)**	-	**(167,627)**
Total comprehensive income	-	-	**(167,627)**	**305,646**	**138,019**	**(23,304)**	**114,715**
Transactions with owners							
Dividends	-	-	-	**(89,280)**	**(89,280)**	-	**(89,280)**
Total Transactions with owners	-	-	-	**(89,280)**	**(89,280)**	-	**(89,280)**
Balance at 30th June 2015	**360,000**	**257,319**	**(79,386)**	**6,947,125**	**7,485,058**	**(105,186)**	**7,379,872**

T.F. & J.H. Braime (Holdings) P.L.C.

Consolidated statement of changes in equity

For the six months ended 30th June 2015

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Non-Controlling Interests £	Total Equity £
Balance at 1st January 2014	**360,000**	**77,319**	**77,422**	**6,156,288**	**6,671,029**	**-**	**6,671,029**
Comprehensive income							
Profit	**-**	**-**	**-**	**363,613**	**363,613**	**-**	**363,613**
Other comprehensive income							
Net remeasurement gain recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange losses on re-translation of overseas operations	**-**	**-**	**(26,226)**	**-**	**(26,226)**	**-**	**(26,226)**
Total other comprehensive income	**-**	**-**	**(26,226)**	**-**	**(26,226)**	**-**	**(26,226)**
Total comprehensive income	**-**	**-**	**(26,226)**	**363,613**	**337,387**	**-**	**337,387**
Transactions with owners							
Dividends	**-**	**-**	**-**	**(89,280)**	**(89,280)**	**-**	
Total Transactions with owners	**-**	**-**	**-**	**(89,280)**	**(89,280)**	**-**	**(89,280)**
Balance at 30th June 2014	**360,000**	**77,319**	**51,196**	**6,430,621**	**6,919,136**	**-**	**6,919,136**

T.F. & J.H. Braime (Holdings) P.L.C.

Consolidated statement of changes in equity - continued

For the six months ended 30th June 2015

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Non-Controlling Interests £	Total Equity £
Balance at 1st January 2014	**360,000**	**77,319**	**77,422**	**6,156,288**	**6,671,029**	**-**	**6,671,029**
Comprehensive income							
Profit	**-**	**-**	**-**	**864,011**	**864,011**	**(81,882)**	**782,129**
Other comprehensive income							
Net remeasurement gain recognised directly in equity	**-**	**-**	**-**	**44,000**	**44,000**	**-**	**44,000**
Foreign exchange losses on re-translation of overseas operations	**-**	**-**	**10,819**	**-**	**10,819**	**-**	**10,819**
Total other comprehensive income	**-**	**-**	**10,819**	**44,000**	**54,819**	**-**	**54,819**
Total comprehensive income	**-**	**-**	**10,819**	**908,011**	**918,830**	**(81,882)**	**836,948**
Transactions with owners							
Dividends	**-**	**-**	**-**	**(131,040)**	**(131,040)**	**-**	**(131,040)**
Cancellation of Preference shares	**-**	**180,000**	**-**	**(202,500)**	**(22,500)**	**-**	**(22,500)**
Total Transactions with owners	**-**	**180,000**	**-**	**(333,540)**	**(153,540)**	**-**	**(153,540)**
Balance at 31st December 2014	**360,000**	**257,319**	**88,241**	**6,730,759**	**7,436,319**	**(81,882)**	**7,354,437**

1. Accounting policies

Basis of preparation

The interim financial report has been prepared using accounting policies that are consistent with those used in the preparation of the full financial statements to 31st December 2014 and those which management expects to apply in the group's full financial statements to 31st December 2015.

This interim financial report is unaudited. The comparative financial information set out in this interim financial report does not constitute the group's statutory accounts for the period ended 31st December 2014 but is derived from the accounts. Statutory accounts for the period ended 31st December 2014 have been delivered to the Registrar of Companies. The auditors have reported on those accounts. Their audit report was unqualified and did not contain any statements under Section 498 of the Companies Act 2006.

The group's condensed interim financial information has been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for the use in the European Union and in accordance with IAS 34 'Interim Financial Reporting' and the accounting policies included in the Annual Report for the year ended 31st December 2014, which have been applied consistently throughout the current and preceding periods.

2. Earnings per share and dividends

Both the basic and diluted earnings per share have been calculated using the net results attributable to shareholders of T.F. & J.H. Braime (Holdings) P.L.C. as the numerator.

The weighted average number of outstanding shares used for basic earnings per share amounted to 1,440,000 (2014 – 1,440,000). There are no potentially dilutive shares in issue.

	6 months to 30th June 2015 £
Dividends paid	
Equity shares	
Ordinary shares	
Interim of 6.20p per share paid on 2nd April 2015	**29,760**
'A' Ordinary shares	
Interim of 6.20p per share paid on 2nd April 2015	**59,520**
Total dividends paid	**89,280**

	Year to 31st December 2014 £
Dividends paid	
Equity shares	
Ordinary shares	
Interim of 6.20p per share paid on 4th April 2014	29,760
Interim of 2.90p per share paid on 17th October 2014	13,920
	43,680
'A' Ordinary shares	
Interim of 6.20p per share paid on 4th April 2014	59,520
Interim of 2.90p per share paid on 17th October 2014	27,840
	87,360
Total dividends paid	131,040

3. Cash and cash equivalents

	Unaudited 6 months to 30th June 2015	Unaudited 6 months to 30th June 2014	Audited year to 31st December 2014
	£	£	£
Cash at bank and in hand	**801,577**	720,100	1,357,769
Bank overdrafts	**1,094,170**	837,994	1,505,988
	(292,593)	(117,894)	(148,219)

4. Segmental information

				Unaudited 6 months to 30th June 2015
	Central	**Manufacturing**	**Distribution**	**Total**
	£	**£**	**£**	**£**
Revenue				
External	**-**	**2,023,371**	**11,463,804**	**13,487,175**
Inter company	**60,816**	**1,361,871**	**1,636,148**	**3,058,835**
Total	**60,816**	**3,385,242**	**13,099,952**	**16,546,010**
Profit				
EBITDA	**(947)**	**(203,828)**	**1,001,026**	**796,251**
Finance costs	**(19,246)**	**(15,102)**	**(19,157)**	**(53,505)**
Finance income	**-**	**355**	**5,515**	**5,870**
Depreciation	**(3,150)**	**(186,192)**	**(153,099)**	**(342,441)**
Tax expense	**(21,290)**	**-**	**(102,543)**	**(123,833)**
(Loss)/profit for the period	**(44,633)**	**(404,767)**	**731,742**	**282,342**
Assets				
Total assets	**1,328,215**	**4,210,758**	**10,063,604**	**15,602,577**
Additions to non current assets	**-**	**643,810**	**68,095**	**711,905**
Liabilities				
Total liabilities	**902,879**	**3,015,903**	**4,303,922**	**8,222,704**

4. Segmental information - continued

	Central	Manufacturing	Distribution	Total
				Unaudited 6 months to 30th June 2014
	£	£	£	£
Revenue				
External	-	1,760,143	10,328,000	12,088,143
Inter company	55,443	1,211,576	1,337,345	2,604,364
Total	55,443	2,971,719	11,665,345	14,692,507
Profit				
EBITDA	3,333	98,662	704,691	806,686
Finance costs	(14,542)	(22,774)	(18,316)	(55,632)
Finance income	-	-	43	43
Depreciation	(3,150)	(116,598)	(118,495)	(238,243)
Tax expense	(15,750)	-	(133,491)	(149,241)
(Loss)/profit for the period	(30,109)	(40,710)	434,432	363,613
Assets				
Total assets	1,298,767	3,194,579	9,511,458	14,004,804
Additions to non current assets	-	217,330	46,269	263,599
Liabilities				
Total liabilities	552,846	2,348,710	4,184,111	7,085,667

	Central	Manufacturing	Distribution	Total
				Audited year to 31st December 2014
	£	£	£	£
Revenue				
External	-	3,621,626	20,670,074	24,921,700
Inter company	113,568	2,761,536	3,743,664	6,618,768
Total	113,568	6,383,162	24,413,738	30,910,468
Profit				
EBITDA	(5,777)	219,116	1,589,501	1,802,840
Finance costs	(27,820)	(46,387)	(41,084)	(115,291)
Finance income	-	2,000	164	2,164
Depreciation	(6,300)	(287,663)	(270,281)	(564,244)
Tax expense	(78,099)	(34,335)	(230,906)	(343,340)
(Loss)/profit for the period	(117,996)	(147,269)	1,047,394	782,129
Assets				
Total assets	1,323,858	4,033,070	10,068,908	15,425,836
Additions to non current assets	-	1,118,171	399,405	1,517,576
Liabilities				
Total liabilities	520,316	2,868,453	4,682,630	8,071,399

22nd September 2015

T.F. & J.H. Braime (Holdings) P.L.C.

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