

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

("Braime" or the "Company")

Interim Results for the six months ended 30th June 2017

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### **Performance**

Group sales revenue for the first six months of 2017 increased by 14% to £15.54M from £13.62M, while profit before tax increased by 28.2 % to £0.59M from £0.46M for the comparable period of 2016.

This performance is partly due to a general improvement in trading but was also enhanced by the fall in the value of Sterling from the higher levels prevailing in the early part of 2016, which increased the value of group earnings from overseas businesses when consolidated in Sterling.

### **Dividends**

The directors have decided to increase the interim dividend to 3.10p per share. This dividend will be paid on 20th October to the Ordinary and 'A' Ordinary shareholders on the register on the 13th October 2017. The associated ex-dividend date will be 12th October 2017.

### **Braime Pressings Limited**

Sales volume increased substantially but the short-term costs of meeting these increases in sales has been greater than expected and is a situation the directors are continuing to address.

The key to success in manufacturing, as always, lies in the continuous improvement in productivity.

### **4B division**

Overall the subsidiaries in the material handling division have performed well with improvements in both sales and margins. Most of our markets in our sector, even in Europe, are gradually coming out of the recent recession.

### **Cash flow**

The cash position at the start of the period was tight but has steadily improved and is expected to further improve in the second half of the year as the trade receivables are recovered in line with payment terms. The group is committed to some substantial investments and needs to finance these investments from cash flow until the new equipment is fully commissioned. The group continues to operate within its bank facility agreed with HSBC.

As the business continues to expand, the directors remain focused in ensuring that our working capital requirements, particularly for stock, are carefully monitored and controlled.

### **Forecast for the second half of 2017**

The group overall is ahead of both last year and budget and currently we would expect the result for the full year to be ahead of 2016. However, our group, with so much of its earnings coming from overseas markets, is always exposed to the unpredictable fluctuations in global exchange rates and to the vagaries in individual markets.

For further information please contact:

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

Consolidated income statement

For the six months ended 30th June 2017

	Note	Unaudited 6 months to 30th June 2017 £	Unaudited 6 months to 30th June 2016 £	Audited year to 31st December 2016 £
<b>Revenue</b>		<b>15,540,422</b>	13,619,008	28,415,449
Changes in inventories of finished goods and work in progress		<b>(36,382)</b>	224,198	337,116
Raw materials and consumables used		<b>(8,413,376)</b>	(7,625,329)	(15,890,401)
Employee benefits costs		<b>(3,636,686)</b>	(3,151,829)	(6,726,428)
Depreciation expense		<b>(369,231)</b>	(390,290)	(801,376)
Other expenses		<b>(2,426,300)</b>	(2,148,239)	(3,940,015)
<b>Profit from operations</b>		<b>658,447</b>	527,519	1,394,345
Profit on disposal of tangible fixed assets		-	-	-
Finance costs		<b>(68,417)</b>	(64,523)	(150,142)
Finance income		<b>2,043</b>	580	29,902
<b>Profit before tax</b>		<b>592,073</b>	463,576	1,274,105
Tax expense		<b>(178,576)</b>	(139,289)	(419,588)
<b>Profit for the period</b>		<b>413,497</b>	324,287	854,517
<b>Profit attributable to :</b>				
Owners of the parent		<b>448,429</b>	384,521	932,101
Non-controlling interests		<b>(34,932)</b>	(60,234)	(77,584)
		<b>413,497</b>	324,287	854,517
<b>Basic and diluted earnings per share</b>	2	<b>28.72p</b>	22.52p	59.34p

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

Consolidated statement of comprehensive income

For the six months ended 30th June 2017

	<b>Unaudited 6 months to 30th June 2017 £</b>	Unaudited 6 months to 30th June 2016 £	Audited year to 31st December 2016 £
Profit for the period	<b>413,497</b>	324,287	854,517
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net pension remeasurement gain on post employment benefits	-	-	10,000
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign exchange (losses)/gains on re-translation of overseas operations	<b>(167,670)</b>	(151,517)	597,976
Other comprehensive income for the period	<b>(167,670)</b>	(151,517)	607,976
<b>Total comprehensive income for the period</b>	<b>245,827</b>	172,770	1,462,493
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	<b>280,759</b>	233,004	1,540,077
Non-controlling interests	<b>(34,932)</b>	(60,234)	(77,584)
	<b>245,827</b>	172,770	1,462,493

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

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

## Consolidated balance sheet

At 30th June 2017

	<b>Unaudited 6 months to 30th June 2017 £</b>	Unaudited 6 months to 30th June 2016 £	Audited year to 31st December 2016 £
<b>Non-current assets</b>			
Property, plant and equipment	5,232,599	5,285,297	5,357,772
Goodwill	12,270	12,270	12,270
Financial assets	-	26,180	-
<b>Total non-current assets</b>	<b>5,244,869</b>	5,323,747	5,370,042
<b>Current assets</b>			
Inventories	6,383,147	5,887,955	6,119,495
Trade and other receivables	6,506,409	5,712,176	5,213,019
Financial assets	-	50,918	51,877
Cash and cash equivalents	13,933	1,243,172	742,474
<b>Total current assets</b>	<b>12,903,489</b>	12,894,221	12,126,865
<b>Total assets</b>	<b>18,148,358</b>	18,217,968	17,496,907
<b>Current liabilities</b>			
Bank overdraft	-	(1,517,675)	-
Trade and other payables	(4,705,966)	(4,173,632)	(4,181,683)
Other financial liabilities	(1,952,905)	(1,981,539)	(1,730,288)
Corporation tax liability	(52,548)	(177,586)	(146,703)
<b>Total current liabilities</b>	<b>(6,711,419)</b>	(7,850,432)	(6,058,674)
<b>Non-current liabilities</b>			
Financial liabilities	(1,205,986)	(1,425,702)	(1,360,947)
Deferred income tax liability	(117,724)	(230,235)	(117,724)
<b>Total non-current liabilities</b>	<b>(1,323,710)</b>	(1,655,937)	(1,478,671)
<b>Total liabilities</b>	<b>(8,035,129)</b>	(9,506,369)	(7,537,345)
<b>Total net assets</b>	<b>10,113,229</b>	8,711,599	9,959,562
<b>Capital and reserves</b>			
Share capital	360,000	360,000	360,000
Capital reserve	257,319	257,319	257,319
Foreign exchange reserve	371,725	(210,098)	539,395
Retained earnings	9,361,797	8,489,708	9,005,528
<b>Total equity attributable to the shareholders of the parent company</b>	<b>10,350,841</b>	8,896,929	10,162,242
Non-controlling interests	(237,612)	(185,330)	(202,680)
<b>Total equity</b>	<b>10,113,229</b>	8,711,599	9,959,562

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

Consolidated cash flow statement

For the six months ended 30th June 2017

	Note	Unaudited 6 months to 30th June 2017 £	Unaudited 6 months to 30th June 2016 £	Audited year to 31st December 2016 £
<b>Operating activities</b>				
Net profit		413,497	324,287	854,517
Adjustments for:				
Depreciation		369,231	390,290	801,376
Grants amortised		-	(6,568)	(6,568)
Foreign exchange losses		(167,670)	(151,517)	525,324
Finance income		(2,043)	(580)	(29,902)
Finance expense		68,417	64,523	150,142
Gain on sale of plant, machinery and motor vehicles		-	-	(12,538)
Adjustment in respect of defined benefit scheme		-	-	12,000
Income tax expense		178,576	139,289	419,588
Income taxes paid		(272,731)	(28,557)	(491,778)
<b>Operating activities before changes in working capital and provisions</b>		<b>587,277</b>	<b>731,167</b>	<b>2,222,161</b>
Increase in trade and other receivables		(1,293,390)	(707,077)	(207,920)
Increase in inventories		(263,652)	(168,301)	(399,841)
Increase in trade and other payables		780,374	444,450	272,025
		(776,668)	(430,928)	(335,736)
<b>Cash generated from operations</b>		<b>(189,391)</b>	<b>300,239</b>	<b>1,886,425</b>
<b>Investing activities</b>				
Purchases of property, plant, machinery and motor vehicles		(126,770)	(657,387)	(998,617)
Sale of plant, machinery and motor vehicles		-	-	12,538
Interest received		2,043	580	27,902
		(124,727)	(656,807)	(958,177)
<b>Financing activities</b>				
Proceeds from long term borrowings		-	-	-
Loan financing repaid		51,877	32,556	57,777
Repayment of borrowings		(172,374)	(35,464)	(101,917)
Repayment of hire purchase creditors		(133,349)	(77,204)	(176,432)
Interest paid		(68,417)	(64,523)	(150,142)
Dividends paid		(92,160)	(89,280)	(131,040)
		(414,423)	(233,915)	(501,754)
Decrease in cash and cash equivalents		(728,541)	(590,483)	426,494
Cash and cash equivalents, beginning of period		742,474	315,980	315,980
<b>Cash and cash equivalents (including overdrafts), end of period</b>	<b>3</b>	<b>13,933</b>	<b>(274,503)</b>	<b>742,474</b>

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

Consolidated statement of changes in equity

For the six months ended 30th June 2017

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Minority Interests £	Total Equity £
Balance at 1st January 2017	360,000	257,319	539,395	9,005,528	10,162,242	(202,680)	9,959,562
<b>Comprehensive income</b>							
Profit	-	-	-	448,429	448,429	(34,932)	413,497
<b>Other comprehensive income</b>							
Foreign exchange losses on re- translation of overseas operations	-	-	(167,670)	-	(167,670)	-	(167,670)
Total other comprehensive income	-	-	(167,670)	-	(167,670)	-	(167,670)
Total comprehensive income	-	-	(167,670)	448,429	280,759	(34,932)	245,827
<b>Transactions with owners</b>							
Dividends	-	-	-	(92,160)	(92,160)	-	(92,160)
Total transactions with owners	-	-	-	(92,160)	(92,160)	-	(92,160)
Balance at 30th June 2017	360,000	257,319	371,725	9,361,797	10,350,841	(237,612)	10,113,229

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

Consolidated statement of changes in equity

For the six months ended 30th June 2017

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Minority Interests £	Total Equity £
Balance at 1st January 2016	360,000	257,319	(58,581)	8,194,467	8,753,205	(125,096)	8,628,109
<b>Comprehensive income</b>							
Profit	-	-	-	384,521	384,521	(60,234)	324,287
<b>Other comprehensive income</b>							
Foreign exchange losses on re- translation of overseas operations	-	-	(151,517)	-	(151,517)	-	(151,517)
Total other comprehensive income	-	-	(151,517)	-	(151,517)	-	(151,517)
Total comprehensive income	-	-	(151,517)	384,521	233,004	(60,234)	172,770
<b>Transactions with owners</b>							
Dividends	-	-	-	(89,280)	(89,280)	-	(89,280)
Total transactions with owners	-	-	-	(89,280)	(89,280)	-	(89,280)
Balance at 30th June 2016	360,000	257,319	(210,098)	8,489,708	8,896,929	(185,330)	8,711,599

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

Consolidated statement of changes in equity - continued

For the six months ended 30th June 2017

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Minority Interests £	Total Equity £
Balance at 1st January 2016	360,000	257,319	(58,581)	8,194,467	8,753,205	(125,096)	8,628,109
<b>Comprehensive income</b>							
Profit	-	-	-	932,101	932,101	(77,584)	854,517
<b>Other comprehensive income</b>							
Net pension remeasurement gain recognised directly in equity	-	-	-	10,000	10,000	-	10,000
Foreign exchange gains on re- translation of overseas operations	-	-	597,976	-	597,976	-	597,976
Total other comprehensive income	-	-	597,976	10,000	607,976	-	607,976
Total comprehensive income	-	-	597,976	942,101	1,540,077	(77,584)	1,462,493
<b>Transactions with owners</b>							
Dividends	-	-	-	(131,040)	(131,040)	-	(131,040)
Total transactions With owners	-	-	-	(131,040)	(131,040)	-	(131,040)
Balance at 31st December 2016	360,000	257,319	539,395	9,005,528	10,162,242	(202,680)	9,959,562



**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 2016 and those which management expects to apply in the group's full financial statements to 31st December 2017.

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 2016 but is derived from the accounts. Statutory accounts for the period ended 31st December 2016 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 2016, 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 (2016 – 1,440,000). There are no potentially dilutive shares in issue.

	<b>6 months to 30th June 2017 £</b>
<b>Dividends paid</b>	
Equity shares	
Ordinary shares	
Interim of 6.40p per share paid on 12th May 2017	<b>30,720</b>
'A' Ordinary shares	
Interim of 6.40p per share paid on 12th May 2017	<b>61,440</b>
<b>Total dividends paid</b>	<b>92,160</b>
	Year to 31st December 2016 £
<b>Dividends paid</b>	
Equity shares	
Ordinary shares	
Interim of 6.20p per share paid on 12th May 2016	29,760
Interim of 2.90p per share paid on 21st October 2016	13,920
	43,680
'A' Ordinary shares	
Interim of 6.20p per share paid on 12th May 2016	59,520
Interim of 2.90p per share paid on 12th October 2016	27,840
	87,360
<b>Total dividends paid</b>	<b>131,040</b>

**3. Cash and cash equivalents**

	<b>Unaudited 6 months to 30th June 2017</b>	Unaudited 6 months to 30th June 2016	Audited year to 31st December 2016
	£	£	£
Cash at bank and in hand	<b>13,933</b>	1,243,172	742,474
Bank overdrafts	-	(1,517,675)	-
	<b>13,933</b>	(274,503)	742,474

**4. Segmental information**

	<b>Unaudited 6 months to 30th June 2017</b>			
	Central	Manufacturing	Distribution	Total
	£	£	£	£
<b>Revenue</b>				
External	-	2,004,199	13,536,223	15,540,422
Inter company	355,227	1,126,847	2,237,514	3,719,588
<b>Total</b>	<b>355,227</b>	<b>3,131,046</b>	<b>15,773,737</b>	<b>19,260,010</b>
<b>Profit</b>				
EBITDA	236,409	(624,192)	1,415,461	1,027,678
Finance costs	(45,245)	(11,515)	(11,657)	(68,417)
Finance income	1,469	175	399	2,043
Depreciation	(206,932)	-	(162,299)	(369,231)
Tax expense	-	-	(178,576)	(178,576)
<b>(Loss)/profit for the period</b>	<b>(14,299)</b>	<b>(635,532)</b>	<b>1,063,328</b>	<b>413,497</b>
<b>Assets</b>				
Total assets	4,000,762	709,717	13,437,878	18,148,357
Additions to non current assets	222,479	-	21,579	244,058
<b>Liabilities</b>				
Total liabilities	980,330	2,185,462	4,869,336	8,035,128

**4. Segmental information - continued**

	Unaudited 6 months to 30th June 2016			
	Central £	Manufacturing £	Distribution £	Total £
<b>Revenue</b>				
External	-	1,793,834	11,825,174	13,619,008
Inter company	111,138	1,036,547	1,785,464	2,933,149
<b>Total</b>	<b>111,138</b>	<b>2,830,381</b>	<b>13,610,638</b>	<b>16,552,157</b>
<b>Profit</b>				
EBITDA	42,855	(219,819)	1,094,773	917,809
Finance costs	(27,760)	(17,133)	(19,630)	(64,523)
Finance income	-	267	313	580
Depreciation	(35,765)	(176,568)	(177,957)	(390,290)
Tax expense	(13,072)	-	(126,217)	(139,289)
<b>(Loss)/profit for the period</b>	<b>(33,742)</b>	<b>(413,253)</b>	<b>771,282</b>	<b>324,287</b>
<b>Assets</b>				
Total assets	4,489,887	2,163,769	11,564,312	18,217,968
Additions to non current assets	-	754,777	243,354	998,131
<b>Liabilities</b>				
Total liabilities	1,352,359	2,906,318	5,247,692	9,506,369
	Audited year to 31st December 2016			
	Central £	Manufacturing £	Distribution £	Total £
<b>Revenue</b>				
External	-	3,564,987	24,850,462	28,415,449
Inter company	472,671	2,659,476	4,443,233	7,575,380
<b>Total</b>	<b>472,671</b>	<b>6,224,463</b>	<b>29,293,695</b>	<b>35,990,829</b>
<b>Profit</b>				
EBITDA	(143,881)	180,991	2,158,611	2,195,721
Finance costs	(73,959)	(25,867)	(50,316)	(150,142)
Finance income	-	2,489	27,413	29,902
Depreciation	(279,022)	(140,585)	(381,769)	(801,376)
Tax expense	(40,740)	98,242	(477,090)	(419,588)
<b>(Loss)/profit for the period</b>	<b>(537,602)</b>	<b>115,270</b>	<b>1,276,849</b>	<b>854,517</b>
<b>Assets</b>				
Total assets	4,497,238	1,008,429	11,991,240	17,496,907
Additions to non current assets	1,022,501	-	347,010	1,369,511
<b>Liabilities</b>				
Total liabilities	1,022,777	2,139,638	4,374,930	7,537,345