

T.F. & J.H. BRAIME (HOLDINGS) P.L.C.

("Braime" or the "company")

Interim results for the six months ended 30th June 2010

Group sales revenue for the first six months of 2009 increased by 7% from £7.77m in 2009 to £8.32m for 2010 and the company made a profit before tax for the first half of 2010 of £396,000 compared to £216,000 in 2009 for the same period.

The directors have decided to pay an interim dividend of 2.40p per share on 15th October 2010 to the Ordinary and 'A' Ordinary shareholders whose names are on the register on 1st October 2010. This compares to the interim dividend of 1.50p paid on 16th October 2009.

Performance of group companies

4B division

The subsidiary companies comprising this division enjoyed a successful start to the year and, taken together, produced results above both last year and budget. Our US subsidiary had a particularly good first six months.

The profitability of this division continued to benefit from favourable exchange rates and from the continuing expansion of our product range.

Pressings division

The fundamental restructuring of the manufacturing business in 2009 has resulted in a substantial reduction in the level of losses in this division, although the result for the first six months fell short of budget.

Sales volumes of existing contracts were well ahead of expectations but the benefit of this contribution was offset by delays in the start up of new contracts, due largely to late changes by customers in product specification. We now have full approval for the components required for the second new major contract and start up of full production is scheduled for the beginning of November 2010. Launch of the third major new product line is on target for January 2011.

In 2010 huge progress has been made in continuing the modernisation of the factory and the installation of new product lines. This has been achieved by a very small management and maintenance team.

Outlook

The positive start made by the 4B division has continued into the second half and, providing exchange rates remain at current levels, we would expect to maintain the progress achieved in recent years.

The result for the full year in the pressings division very much rests on the successful start up of the second major contract in November.

Condensed consolidated income statement for the six months ended 30th June 2010

	Unaudited 6 months to 30th June 2010	Unaudited 6 months to 30th June 2009	Year to 31st December 2009
Note	£	£	£
Revenue	8,317,924	7,767,714	15,685,218
Cost of sales	6,379,779	6,058,988	12,248,094
Gross profit	1,938,145	1,708,726	3,437,124
Other operating expenses	1,513,886	1,457,991	2,737,843

Operating profit	424,259	250,735	699,281
Finance expense	(151,235)	(144,284)	(285,338)
Finance income	122,982	109,689	211,049
Profit before tax	396,006	216,140	624,992
Income tax expenses	(110,042)	(60,519)	(237,905)
Profit after tax	285,964	155,621	387,087
Basic and diluted earnings per share	19.86p	10.81p	26.88p

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Consolidated statement of comprehensive income for the six months ended
30th June 2010

	Unaudited 6 months to 30th June 2010 £	Unaudited 6 months to 30th June 2009 £	Year to 31st December 2009 £
Profit for the period	285,964	155,621	387,087
Actuarial gains recognised directly in equity	-	-	76,000
Foreign exchange gains/(losses) on re-translation of overseas operations	25,717	(146,101)	(107,605)
Adjustment in respect of minimum funding requirement per IFRIC14	-	-	(149,000)
Total comprehensive income for the period	25,717	(146,101)	(180,605)
Total comprehensive income for the period	311,681	9,520	206,482

Consolidated statement of financial position at 30th June 2010

	Unaudited 6 months to 30th June 2010 £	Unaudited 6 months to 30th June 2009 £	Year to 31st December 2009 £
Non-current assets			
Property, plant and equipment	1,207,447	768,183	1,249,460
Goodwill	12,270	12,270	12,270
Employee benefits	-	111,000	-
Total non-current assets	1,219,717	891,453	1,261,730
Current assets			
Inventories	2,995,554	3,072,095	2,862,149
Trade and other receivables	3,282,853	3,160,953	2,400,384
Cash and cash equivalents	1,592,740	1,571,485	1,947,207
Total current assets	7,871,147	7,804,533	7,209,740
Total assets	9,090,864	8,695,986	8,471,470
Current liabilities			
Bank overdraft	1,106,334	1,561,734	1,159,966

Trade and other payables	2,385,993	2,275,414	2,019,053
Other financial liabilities	314,985	277,523	344,339
Corporation tax liability	110,042	60,519	-
Total current liabilities	3,917,354	4,175,190	3,523,358
Non-current liabilities			
Financial liabilities	445,896	237,025	488,979
Total non-current liabilities	445,896	237,025	488,979
Total liabilities	4,363,250	4,412,215	4,012,337
Total net assets	4,727,614	4,283,771	4,459,133
Capital and reserves			
Share capital	360,000	360,000	360,000
Capital reserve	77,319	77,319	77,319
Foreign exchange reserve	345,263	281,050	319,546
Retained earnings	3,945,032	3,565,402	3,702,268
Total equity attributable to equity shareholders of the company	4,727,614	4,283,771	4,459,133

Consolidated statement of changes in equity for the six months ended 30th June 2010

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £
Balance at 1st January 2010	360,000	77,319	319,546	3,702,268	4,459,133
Comprehensive income					
Profit	-	-	-	285,964	285,964
Other comprehensive income					
Actuarial gains recognised directly in equity	-	-	-	-	-
Foreign exchange losses on re-translation of overseas operations	-	-	25,717	-	25,717
Adjustment in respect of minimum funding requirement per IFRIC14	-	-	-	-	-
Total other comprehensive income	-	-	25,717	-	25,717
Total comprehensive income	-	-	25,717	285,964	311,681
Transaction with owners					
Dividends	-	-	-	(43,200)	(43,200)
Total transactions with owners	-	-	-	(43,200)	(43,200)
Balance at 30th June 2010	360,000	77,319	345,263	3,945,032	4,727,614
Balance at 1st January 2009	360,000	77,319	427,151	3,431,381	4,295,851
Comprehensive income					

Profit	-	-	-	155,621	155,621
Other comprehensive income					
Actuarial gains recognised directly in equity	-	-	-	-	-
Foreign exchange losses on re-translation of overseas operations	-	-	(146,101)	-	(146,101)
Adjustment in respect of minimum funding requirement per IFRIC14	-	-	-	-	-
Total other comprehensive income	-	-	(146,101)	-	(146,101)
Total comprehensive income	-	-	(146,101)	155,621	9,520
Transaction with owners					
Dividends	-	-	-	(21,600)	(21,600)
Total transactions with owners	-	-	-	(21,600)	(21,600)
Balance at 30th June 2009	360,000	77,319	281,050	3,565,402	4,283,771
Balance at 1st January 2009	360,000	77,319	427,151	3,431,381	4,295,851
Comprehensive income					
Profit	-	-	-	387,087	387,087
Other comprehensive income					
Actuarial gains recognised directly in equity	-	-	-	76,000	76,000
Foreign exchange losses on re-translation of overseas operations	-	-	(107,605)	-	(107,605)
Adjustment in respect of minimum funding requirement per IFRIC14	-	-	-	(149,000)	(149,000)
Total other comprehensive income	-	-	(107,605)	(73,000)	(180,605)
Total comprehensive income	-	-	(107,605)	314,087	206,482
Transaction with owners					
Dividends	-	-	-	(43,200)	(43,200)
Total transactions with owners	-	-	-	(43,200)	(43,200)
Balance at 31st December 2009	360,000	77,319	319,546	3,702,268	4,459,133

Consolidated cash flow statement for the six months ended 30th June 2010

Note	Unaudited 6 months to 30th June 2010 £	Unaudited 6 months to 30th June 2009 £	Year to 31st December 2009 £
Operating activities			

Net profit from ordinary activities		285,964	155,621	387,087
Adjustments for:				
Depreciation		139,045	139,803	302,865
Grants amortised		(828)	(828)	(1,656)
Foreign exchange loss/(gain)		15,977	(139,656)	(119,426)
Investment income		(122,982)	(109,689)	(211,049)
Interest expense		151,235	144,284	285,338
Gain on sale of plant and equipment		(11,808)	-	(8,748)
Decrease in provisions and employee benefits		3,000	22,000	57,000
Income tax expense		110,042	60,519	237,905
Operating profit before changes in working capital and provisions		569,645	272,054	929,316
(Increase)/decrease in trade and other receivables		(882,469)	(516,578)	243,991
(Increase)/decrease in inventories		(133,405)	271,916	481,862
Increase in trade and other payables		495,894	297,992	89,643
		(519,980)	53,330	815,496
Cash generated from operations		49,665	325,384	1,744,812
Income taxes paid		(128,954)	(112,413)	(375,533)
Investing activities				
Purchases of plant, machinery and motor vehicles		(50,718)	(63,673)	(326,902)
Sale of plant, machinery and motor vehicles		14,458	-	8,750
Interest received		1,982	8,689	11,049
		(34,278)	(54,984)	(307,103)
Financing activities				
Repayment of hire purchase creditors		(110,833)	(58,112)	(124,157)
Interest paid		(33,235)	(36,284)	(75,338)
Dividend paid		(43,200)	(21,600)	(43,200)
		(187,268)	(115,996)	(242,695)
(Decrease)/increase in cash and cash equivalents	3	(300,835)	41,991	819,481
Cash and cash equivalents (including overdrafts), beginning of period	3	787,241	(32,240)	(32,240)
Cash and cash equivalents (including overdrafts), end of period		486,406	9,751	787,241

Notes to the interim financial report

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 2009 and those which management expects to apply in the group's full financial statements to 31st December 2010.

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 2009 but is derived from the accounts. Statutory accounts for the period ended 31st December 2009 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 2009, 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 (2009 - 1,440,000). There are no potentially dilutive shares in issue.

	2010
	£
Dividends paid	
Equity shares	
Ordinary shares	
Interim of 3.00p per share paid on 1st April 2010	14,400
'A' Ordinary shares	
Interim of 3.00p per share paid on 1st April 2010	28,800
Total dividends paid	43,200
	2009
	£
Dividends paid	
Equity shares	
Ordinary shares	
Interim of 1.50p per share paid on 3rd April 2009	7,200
Interim of 1.50p per share paid on 16th October 2009	7,200
	14,400
'A' Ordinary shares	
Interim of 1.50p per share paid on 3rd April 2009	14,400
Interim of 1.50p per share paid on 16th October 2009	14,400
	28,800
Total dividends paid	43,200

3. Cash and cash equivalents

	Unaudited 6 months to 30th June 2010 £	Unaudited 6 months to 30th June 2009 £	Year to 31st December 2009 £
Cash at bank and in hand	1,592,740	1,571,485	1,947,207

Bank overdrafts	1,106,334	1,561,734	1,159,966
	486,406	9,751	787,241

4. Segmental information

	Unaudited 6 months to 30th June 2010			
	Central £	Manufacturing £	Distribution £	Total £
Revenue				
External	-	1,093,574	7,224,350	8,317,924
Inter company	33,638	784,058	419,824	1,237,520
Total	33,638	1,877,632	7,644,174	9,555,444
Profit				
EBITDA	(8,914)	(31,596)	603,814	563,304
Finance costs	(6,815)	(134,692)	(9,728)	(151,235)
Finance income	749	122,233	-	122,982
Depreciation	-	(111,600)	(27,445)	(139,045)
Tax expense	(9,419)	-	(100,623)	(110,042)
(Loss)/profit for the period	(24,399)	(155,655)	466,018	285,964
Assets				
Total assets	778,974	2,974,686	5,337,204	9,090,864
Additions to non current assets	-	80,050	23,718	103,768
Liabilities				
Total liabilities	337,324	1,830,652	2,195,274	4,363,250

	Unaudited 6 months to 30th June 2009			
	Central £	Manufacturing £	Distribution £	Total £
Revenue				
External	-	746,123	7,021,591	7,767,714
Inter company	29,816	983,395	322,611	1,335,822
Total	29,816	1,729,518	7,344,202	9,103,536
Profit				
EBITDA	(20,531)	(214,934)	626,003	390,538
Finance costs	(7,273)	(125,606)	(11,405)	(144,284)
Finance income	3,620	106,063	6	109,689
Depreciation	-	(109,618)	(30,185)	(139,803)
Tax expense	(8,348)	-	(52,171)	(60,519)
(Loss)/profit for the period	(32,532)	(344,095)	532,248	155,621
Assets				
Total assets	788,751	1,993,882	5,913,353	8,695,986
Additions to non current assets	-	59,421	4,252	63,673
Liabilities				
Total liabilities	368,236	1,713,468	2,202,067	4,412,215

Audited year to 31st December 2009

	Central £	Manufacturing £	Distribution £	Total £
Revenue				
External	-	2,474,259	13,210,959	15,685,218
Inter company	59,770	1,982,160	1,423,421	3,465,351
Total	59,770	4,456,419	14,634,380	19,150,569
Profit				
EBITDA	(15,460)	(211,880)	1,229,486	1,002,146
Finance costs	(13,947)	(250,004)	(21,387)	(285,338)
Finance income	4,710	206,333	6	211,049
Depreciation	-	(251,315)	(51,550)	(302,865)
Tax expense	(21,021)	-	(216,884)	(237,905)
(Loss)/profit for the period	(45,718)	(506,866)	939,671	387,087
Assets				
Total assets	774,354	2,412,351	5,284,765	8,471,470
Additions to non current assets	-	673,321	31,935	705,256
Liabilities				
Total liabilities	376,807	1,581,023	2,054,507	4,012,337

21st September 2010

A copy of this interim statement has been sent to all shareholders and is available on the company's web-site (www.brainegroup.com).

For further information please contact:

T.F & J.H. Braime (Holdings) P.L.C.
David H. Brown FCA – Financial Director
0113 245 7491

W. H. Ireland Limited
Katy Mitchell LLB
0113 3946628