

INTERIM REPORT

FOR THE SIX MONTHS ENDED

30TH JUNE 2009

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

Management commentary

For the six months ended 30th June 2009

Group sales revenue for the first six months of 2009 increased by 7% from £7.28m in 2008 to £7.77m and the company made a profit before tax for the first half of 2009 of £216,000 compared to a profit of £125,000 in 2008 for the same period.

In view of the steady recovery in profitability, the directors have decided to pay an interim dividend of 1.50p per share on 16th October 2009 to shareholders whose names are on the register on 9th October 2009.

Performance of group companies

4B division

In spite of the recession, sales by all the subsidiaries selling the 4B brand of components to the material handling industry held up, above forecast, and ahead of the record levels of 2008. Profitability improved, relative to the first half of last year, due to the combination of favourable exchange rates and a decline in the cost of raw materials.

Since the half year, there has been a noticeable decline in activity, and sales for the full year by this division are likely to be in line with our budget, at a level slightly below that achieved in 2008. In view of the very high percentage of sales made in overseas markets, exchange rates will be a major factor in determining the contribution of this division to the group result for 2009.

Pressings division

Sales for the first six months fell by 55%, compared to the same period of 2008, due to the particular severity of the recession in the UK. The general fall in demand was exacerbated by the initial de-stocking carried out by all major customers as they re-adjusted their own production to match drastically lower sales.

This situation has forced the company to speed up its strategy of moving away from its traditional "mid-volume" general sub-contract presswork, supplied to a wide customer base, to instead concentrating on supplying a limited number of customers, each requiring high volumes of specialized product. The manufacture of the products retained will be made in totally automated production cells. The company has notified most of its' customers of its' decision to discontinue manufacture of their requirements and since July the company has been working at close to full capacity supplying these customers with agreed "run-out" volumes.

Very sadly, the implementation of the above strategy also requires a large reduction in our workforce through redundancies and the company is currently engaged in this process. However, the painful changes being made now will result in a long term viable future for the manufacturing business and more secure employment for those employees that remain.

Outlook

The very recent decline in demand for components supplied to the material handling industry is a concern. Nevertheless the primary sectors into which these components are supplied, specifically food related industries, remain relatively immune from the recession and the company is reasonably confident that the fall in demand will be short term.

The restructuring of the manufacturing business will reduce the significant losses being made by this subsidiary and stem the outflow of cash that this has caused.

Providing exchange rates remain close to current levels, the directors believe that the result for the full year will show a continuation in the gradual recovery of the past two years. However, given the continuation of the recession, the pace of the improvement in profitability is likely to be at a slower rate than was achieved in the second half of 2008.

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

Condensed consolidated income statement

Interim results

For the six months ended 30th June 2009

	Unaudited 6 months to 30th June 2009 £	Unaudited 6 months to 30th June 2008 £	Year to 31st December 2008 £
Revenue	7,767,714	7,277,564	15,173,891
Cost of sales	6,058,988	5,762,076	11,763,969
Gross profit	1,708,726	1,515,488	3,409,922
Other operating expenses	1,457,991	1,363,285	2,833,884
Operating profit	250,735	152,203	576,038
Finance expense	(144,284)	(161,247)	(312,924)
Finance income	109,689	133,623	264,009
Profit before tax	216,140	124,579	527,123
Income tax expenses	(60,519)	(34,882)	(275,565)
Profit after tax	155,621	89,697	251,558
Earnings per share			
Basic and diluted	10.81p	6.23p	17.47p

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Condensed consolidated statement of comprehensive income

For the six months ended 30th June 2009

	Unaudited 6 months to 30th June 2009 £	Unaudited 6 months to 30th June 2008 £	Year to 31st December 2008 £
Profit for the period	155,621	89,697	251,558
Exchange differences on translating foreign operations	(146,101)	1,236	436,143
Defined benefit plan actuarial gains and losses	-	-	60,000
Total comprehensive income for the period	9,520	90,933	747,701

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

Condensed statement of charges in equity

For the six months ended 30th June 2009

	Share Capital £	Capital Reserve £	Translation Differences £	Retained Earnings £	Total £
Balance at 1st January 2008	360,000	77,319	(8,992)	3,119,823	3,548,150
Total comprehensive income for 2008	-	-	436,143	311,558	747,701
Balance at 31st December 2008	360,000	77,319	427,151	3,431,381	4,295,851
Balance at 1st January 2009	360,000	77,319	427,151	3,431,381	4,295,851
Dividends	-	-	-	(21,600)	(21,600)
Total comprehensive income for the six months to 30th June 2009	-	-	(146,101)	155,621	9,520
Balance at 30th June 2009	360,000	77,319	281,050	3,565,402	4,283,771

T.F. & J.H. Braime (Holdings) P.L.C.
Condensed consolidated balance sheet
At 30th June 2009

	Unaudited 6 months to 30th June 2009 £	Unaudited 6 months to 30th June 2008 £	Year to 31st December 2008 £
Non-current assets			
Property, plant and equipment	768,183	802,916	850,758
Goodwill	12,270	-	12,270
Employee benefits	111,000	74,000	140,000
Total non-current assets	891,453	876,916	1,003,028
Current assets			
Inventories	3,072,095	2,656,962	3,344,011
Trade and other receivables	3,160,953	3,315,784	2,644,375
Cash and cash equivalents	1,571,485	1,419,603	1,753,273
Total current assets	7,804,533	7,392,349	7,741,659
Total assets	8,695,986	8,269,265	8,744,687
Current liabilities			
Bank overdraft	1,561,734	1,368,047	1,785,513
Trade and other payables	2,275,414	2,604,927	1,954,625
Other financial liabilities	277,523	273,114	306,746
Corporation tax liability	60,519	34,882	112,413
Total current liabilities	4,175,190	4,280,970	4,159,297
Non-current liabilities			
Financial liabilities	237,025	349,212	289,539
Total non-current liabilities	237,025	349,212	289,539
Total liabilities	4,412,215	4,630,182	4,448,836
Total net assets	4,283,771	3,639,083	4,295,851
Capital and reserves			
Share capital	360,000	360,000	360,000
Capital reserve	77,319	77,319	77,319
Foreign exchange reserve	281,050	(7,756)	427,151
Retained earnings	3,565,402	3,209,520	3,431,381
Total equity attributable to equity shareholders of the company	4,283,771	3,639,083	4,295,851

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

Condensed consolidated cash flow statement

For the six months ended 30th June 2009

	Unaudited 6 months to 30th June 2009 £	Unaudited 6 months to 30th June 2008 £	Year to 31st December 2008 £
Operating activities			
Net profit from ordinary activities	155,621	89,697	251,558
Adjustments for:			
Depreciation	139,803	105,021	189,879
Grants amortised	(828)	(828)	(1,656)
Foreign exchange gain	(139,656)	1,246	567,471
Investment income	(109,689)	(133,623)	(264,009)
Interest expense	144,284	161,247	312,924
Gain on sale of plant and equipment	-	-	(40,924)
Income tax expense	60,519	34,882	275,565
Operating profit before changes in working capital and provisions	250,054	257,642	1,290,808
(Increase)/decrease in trade and other receivables	(516,578)	(602,619)	68,790
Decrease/(increase) in inventories	271,916	(121,291)	(808,340)
Increase in trade and other payables	297,992	454,170	(161,429)
Decrease in provisions and employee benefits	22,000	27,000	23,000
	75,330	(242,740)	(877,979)
Cash generated from operations	325,384	14,902	412,829
Income taxes paid	(112,413)	(35,667)	(352,311)
Investing activities			
Purchases of plant, machinery and motor vehicles	(63,673)	(32,657)	(119,621)
Sale of plant, machinery and motor vehicles	-	35,843	83,225
Interest received	8,689	28,623	57,009
	(54,984)	31,809	20,613
Financing activities			
Repayment of hire purchase creditors	(58,112)	(47,597)	(107,513)
Interest paid	(36,284)	(60,247)	(111,924)
Loan received	-	42,300	-
Dividend paid	(21,600)	-	-
	(115,996)	(65,544)	(219,437)
Increase/(decrease) in cash and cash equivalents	41,991	(54,500)	(138,306)
Cash and cash equivalents (including overdrafts), beginning of period	(32,240)	106,066	106,066
Cash and cash equivalents (including overdrafts), end of period	9,751	51,566	(32,240)

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

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 2008 and those which management expects to apply in the group's full financial statement to 31st December 2009.

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 2008 but is derived from the accounts. Statutory accounts for the period ended 31st December 2008 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 237(2) or (3) Companies Act 1985.

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 2008, which have been applied consistently throughout the current and preceding periods with the exception of new standards adopted in the current period (see below).

Changes in accounting policy

The group has adopted IFRS 8 "Operating Segments" for the first time in this Interim Report. This standard requires the group to report segmental information on the basis of internal reports which are regularly reviewed by the group board and used to allocate the resources of the business, and supersedes IAS 14 "Segment Reporting". The group has also adopted IAS 1 "Presentation of Financial Statements" (revised 2007) for the first time in this Interim Report. The amendments arising from this require the inclusion of the Condensed Consolidated Statement of Changes in Equity as a primary statement in the condensed interim financial information. The group has complied fully with the requirements of IFRS 8 and IAS 1 in the period, which apply to disclosure matters only, and has presented updated prior year comparatives in accordance with these standards.

2. Segmental information

	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 revenue	29,816	1,729,518	7,344,202	9,103,536
Profit				
Operating profit/(loss)	(26,819)	(324,552)	602,106	250,735
Finance costs (net)	(3,653)	(19,543)	(11,399)	(34,595)
Tax expense	-	-	(60,519)	(60,519)
Re-allocated	30,472	(54,000)	23,528	-
Total profit	-	(398,095)	553,716	155,621

T.F. & J.H. Braime (Holdings) P.L.C.**Notes to the interim financial report (continued)****2. Segmental information (continued)**

	Unaudited 6 months to 30th June 2008			
	Central £	Manufacturing £	Distribution £	Total £
Revenue				
External	-	1,654,513	5,623,051	7,277,564
Inter company	24,543	874,732	319,146	1,218,421
Total revenue	24,543	2,529,245	5,942,197	8,495,985
Profit				
Operating profit/ (loss)	(23,922)	(317,444)	493,569	152,203
Finance costs (net)	3,619	(5,598)	(25,645)	(27,624)
Tax expense	-	-	(34,882)	(34,882)
Re-allocated	20,303	(38,558)	18,255	-
Total profit	-	(361,600)	451,297	89,697

	Audited year to 31st December 2008			
	Central £	Manufacturing £	Distribution £	Total £
Revenue				
External	-	2,922,705	12,251,186	15,173,891
Inter company	52,269	2,387,564	1,160,779	3,600,612
Total revenue	52,269	5,310,269	13,411,965	18,774,503
Profit				
Operating profit/ (loss)	(28,778)	(516,299)	1,121,115	576,038
Finance costs (net)	6,144	(11,833)	(43,226)	(48,915)
Tax expense	(18,455)	5,496	(262,606)	(275,565)
Re-allocated	41,089	(75,903)	34,814	-
Total profit	-	(598,539)	850,097	251,558

28th September 2009

D. H. Brown FCA
Company Secretary