BRAIME GROUP PLC 2024

Annual Report & Accounts 2024

Braime Group PLC

The Group is involved in the manufacture of metal presswork and the distribution of bulk material handling components. Our electronics division specialises in level controls, intelligent sensors and safety control systems for bucket elevators and conveyors.

The Group is headquartered in Leeds, United Kingdom, but also trades from locations in France, South Africa, Australia, Thailand, Indonesia, China, the United Arab Emirates and the United States.

OVER 130 YEARS OF ENGINEERING EXCELLENCE

BETTER BY DESIGN

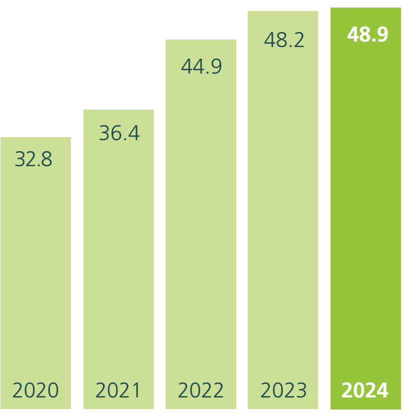
Front cover: Installation of oil resistant elevator belting and antistatic elevator buckets handling 1 million tons of rapeseed per annum at ADM Agriculture, Erith.
Above: Jetty conveyor belt 600m long loading and unloading vessels with grain at 1000 tonnes per hour at Port of Tilbury Grain Terminal, London.

"The Group is poised to explore opportunities for potential future growth."

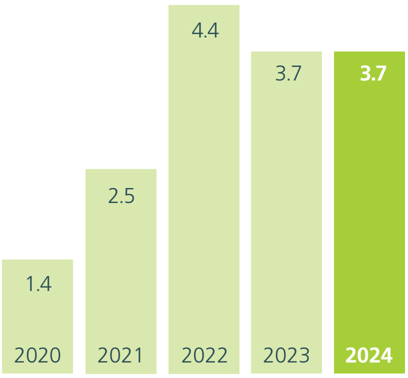
Nicholas Braime, Chairman
17th April 2025

Financial Highlights 2024

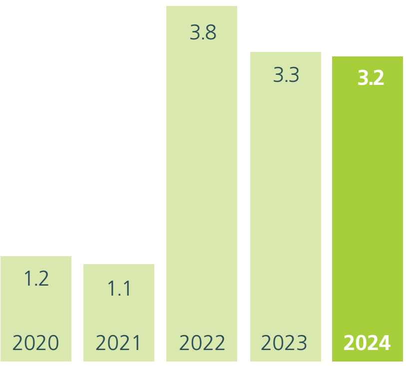
Turnover (£m)



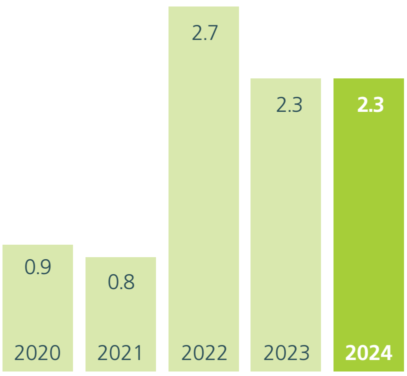
Profit from operations (£m) before exceptional item



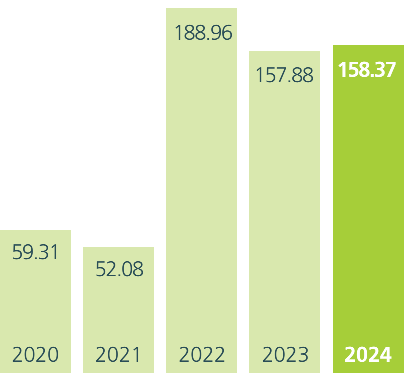
Profit before tax (£m)



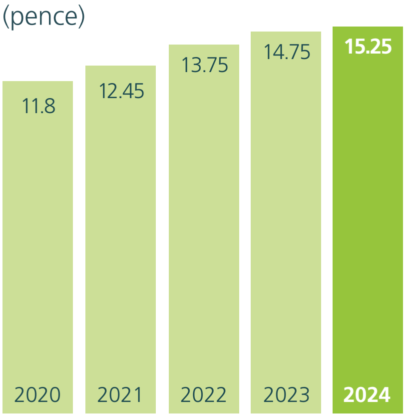
Profit after tax (£m)



Basic and diluted earnings per share (pence)



Dividend per share (pence)



Contents

Strategic report

Governance

Financial statements

Group at a glance

Principal activities

The Group manufactures deep drawn metal presswork and distributes material handling components and monitoring equipment. Manufacturing activity is delivered through Braime Pressings Limited and the distribution activity is through the 4B division.

Our strategy

The main area of the business is the supply of goods and services for handling and processing industrial, and in particular, agricultural commodities. This sector is currently a growth industry with a global market. Our strategy is to invest in increasing our market reach while continuing to develop new products. Our latest addition to the 4B division is 4B Indonesia, based in Jakarta. This was opened in December 2024, having closely consulted on local opportunities with our key customers in the region.

We continue to enhance features of our secure, cloud based industrial monitoring solution, Hazardmon which is revolutionary for introducing greater levels of transparency and record keeping.

We will continue to investigate new geographical markets.

Braime Pressings

Braime Pressings specialises in metal presswork, including deep drawing, multi-stage progression and transfer presswork. The business manufactures precision stamped components for the automotive and industrial sectors, with automation capabilities such as pick and place, roll threading, washing and robotic welding.

Braime Pressings has over 130 years of manufacturing experience and a proven record of world class supply to the automotive industry and a range of other markets. It offers innovative solutions to customer requirements which exceed expectations on cost, quality and delivery.

- Deep Drawn Presswork
- Multi Stage Progression
- Transfer Presswork
- Robot Technology
- Sub Assembly

Braime Pressings prides itself on the maintenance and continual improvement of a full quality management system and is accredited to IATF and ISO.

For more information please visit: www.braimepressings.com

Seamless Steel Buckets

Braime Pressings have manufactured pressed seamless steel buckets and supplied them worldwide to the bulk material handling sector for over 120 years. The buckets, including the Company's "Starco™" and "Super Starco™" models, have been designed after extensive research and development and offer a range of alternative styles to suit the different individual materials being conveyed and achieve the optimum fill, effective discharge and throughput over a wide speed range.

Pressings

Braime Pressings is equipped with 5 transfer presses, each with up to 8 stations, as well as numerous single station and progression presses, fed by coil, and including robotic transfer of product where appropriate. The range of equipment includes both mechanical and hydraulic presses with capacities up to 500T, as well as ancillary forming and welding machinery.

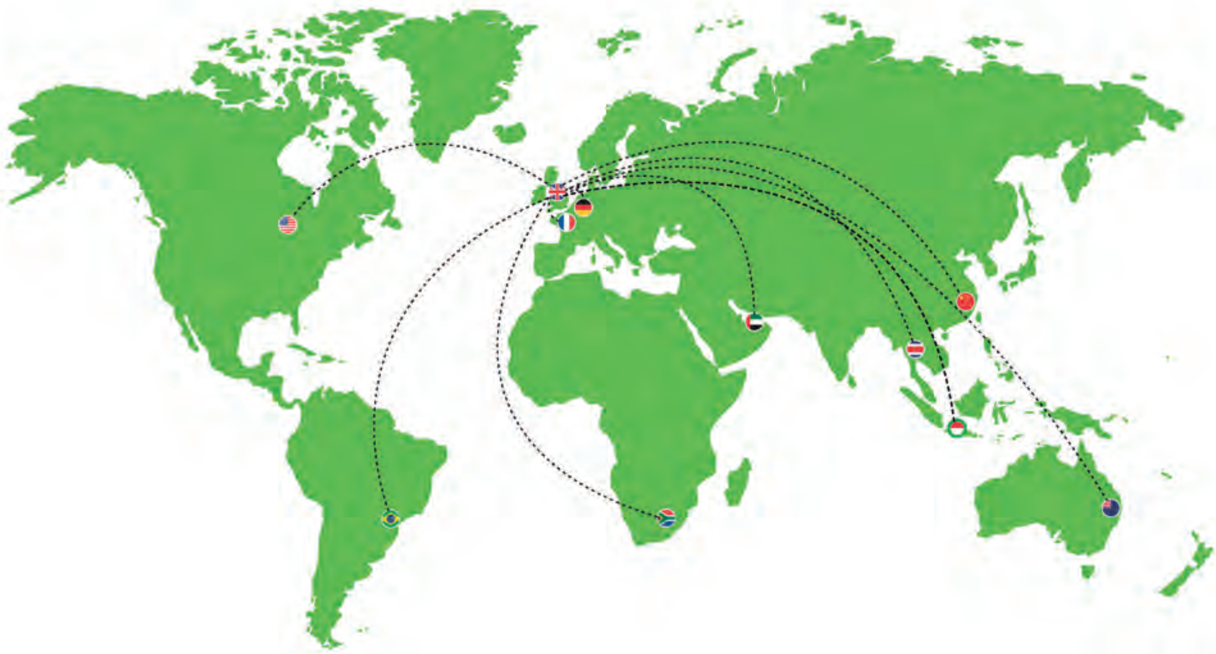
Deep Seamless Enclosures and Large Panels

Production includes deep drawn pressings up to 500mm deep, as well as large panels up to 2.4 meters long. The Company manufactures to the highest quality standards required by the automotive and other industry sectors and holds annual accreditation to:

IATF 16949:2016
ISO 9001:2015

Elevator Bolts

Braime Pressings manufactures bolts and fasteners, used in bulk material handling to attach elevator buckets to vertical conveyors which are used in the storage and processing of agricultural products, such as cereals, animal feed, and sugar, and equally for moving industrial commodities, such as aggregates, cement, coal and glass cullet. The bolts are cold forged making them exceptionally strong.



4B Group "Better by design"

The 4B division is an industry leader in developing high quality, innovative and dependable material handling components for the agricultural and industrial sector, from elevator buckets to forged conveyor chain and level monitors to hazard monitors. 4B works in close partnership with its customers on new designs and on the upgrade of existing elevators and conveyor machines.

The 4B division consists of the following trading companies:

- 4B Braime Components Limited, based in Leeds, UK
- 4B Braime Components Limited, based in Sharjah, UAE
- 4B Elevator Components Limited, based in Morton, Illinois, USA
- 4B-France sarl, based in Villers-Bretonneux, France
- 4B Africa Elevator Components (Pty) Limited, based in Johannesburg, South Africa
- 4B Australia Pty Limited, based in Queensland, Australia
- 4B Asia Pacific Company Limited, based in Samutprakam, Thailand
- 4B Braime (Changzhou) Industrial Control Equipment Co Limited, based in Changzhou, China
- PT Braime Components Indonesia, based in Jakarta, Indonesia

For more information please visit: www.go4b.com

Elevator Buckets
4B has the world's largest range of elevator buckets used for conveying bulk materials. With over 400 different sizes and styles, 4B supplies steel and plastic elevator buckets for both agricultural applications such as grain, feed, seeds, and sugar and industrial applications such as cement, glass, aggregates and coal.

Electronic Monitoring
4B offers an extensive range of monitoring equipment and sensors for bucket elevators, belt and chain conveyors, screw conveyors and silos. 4B's sensors and monitors have worldwide approvals for use in dust hazardous environments. Our sensors and hazard monitoring systems are designed to reduce the risk of fires and explosions, and prevent breakdowns that result in costly down time.

Elevator Belting
4B has a wide range of elevator belting to suit all applications. Belt types include anti-static, abrasion-resistant, high temperature, oil resistant and flame retardant and steel web belting for the toughest environments. Belts are supplied slit, cut to length and punched to customer requirement.

Dropped Forged Conveyor Chain
4B is a manufacturer of drop forged chain for agricultural and industrial applications. 4B's superior heat treatment technique provides the optimum chain link with a more resilient ductile core for shock resistance, and an extremely hard exterior surface for superior wear resistance, ideal for handling ash, cement, gypsum, coal and wood chips. 4B offers a range of conveyor sprockets and trailers and nylon or welded flights.

Chairman's statement

Nicholas Braime
Chairman

High level results

I am pleased to announce Group revenue for 2024 of £48.9m and profit before tax of £3.2m. These results are discussed further in the Chief Executives' Business Review and the Group Strategic Report, however I am delighted with the results given the general sentiment about the economic climate at the start of the year.

Dividends

The Company paid an interim dividend of 5.25p in October 2024. Based on the results above the directors propose paying a second interim dividend of 10.0p on the 23rd May 2025 to the holders of the Ordinary and "A" Ordinary Shares on the share register on 9th May 2025. The ex-dividend date is 8th May 2025. This brings the total dividend paid in relation to the 2024 financial year to 15.25p, compared to 14.75p in 2023.

Overall strategy

Our strategy remains largely unchanged, continuing to invest in constantly improving our production processes and exploring new global markets for our niche products and developing new innovations for our customers' engineering challenges.

Staff

I would like to thank all our staff and colleagues who have continued to provide commitment, ideas and enthusiasm throughout the year. In a fast-changing world, the quality and commitment of our people remains at the heart of our business success. This manifests in many ways, including the deepening relationships with our customers and key partners, continual development of our product lines and their flexible adaptation to the ever-changing business landscape.

Current trading and outlook

The Group, as outlined above, is in a relatively strong position, in spite of the already subdued economic situation and the turmoil created by the recent US tariff announcement. Although our main business sector, centred historically on the growth and processing of the basic commodities for food production (particularly surrounding arable farming) is no longer the consistent, universal, and often subsidised growth sector that it has been for the past 50 years, fortunately our markets are diverse. We operate globally and we see a number of opportunities for potential future growth which we are poised to exploit.

However, the current economic and geo-political situation is more fraught than at any time in my lifetime. So the "Outlook" currently for the business is simply and frankly one of uncertainty.

Nicholas Braime, Chairman
17th April 2025

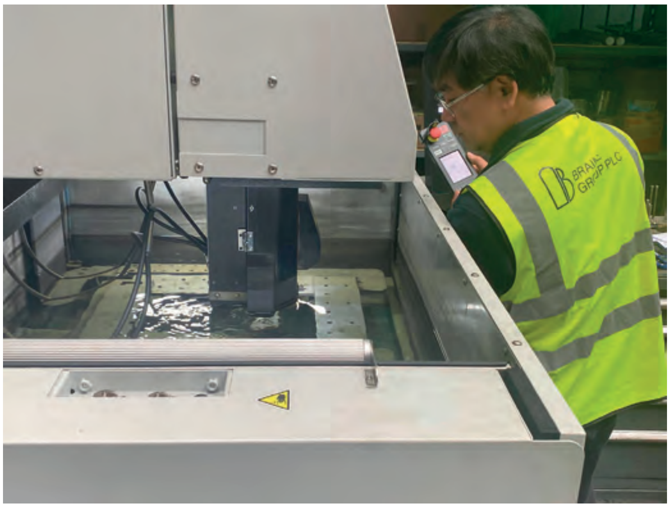
Business review

Business overview

We are delighted that the Group has had another excellent year with revenue reaching £48.9m in 2024. This is again a record as the business has continued to see year on year growth in sales over the last 5 years, navigating our way through some turbulent global economic conditions since the pandemic. Profit from operations of £3.7m was unchanged from prior year, the increase in employee costs having been offset by improvements in margin.

The USA consolidated the growth in revenue that they generated last year with similar sales of £23m. Sales in the UK and Europe were also in line with prior year as investment has remained subdued against the backdrop of the ongoing war in Ukraine, rising energy costs and continued inflation. We have seen some strong growth in revenue in Africa, Australasia and the Asia Pacific region all of which have benefited from increased interest in the Company's range of Hazard monitors and electrical sensors used for predictive maintenance.

Investments made in new business development for products supplied into the construction and building sectors have benefited our UK steel pressings business expanding its product mix and customer base. However, despite increased revenue in these sectors, overall sales fell as the UK and European automobile sector remained sluggish and this continues to represent the largest proportion of sales for our UK business. Intercompany sales of parts for the bulk material handling sector also fell as a consequence of the continuing difficult market conditions experienced across much of Europe.



Our new water jet wire EDM (electrical discharging machine) is capable of precision machining complex geometries within an accuracy tolerance of ±2.5 microns, enabling the production of complex steel tooling components.

Our new range of Jumbo CC-S buckets on display at GEAPS (Grain Elevator and Processing Society) exhibition, Kansas USA.

New business product development

The Group has continued to strengthen its global footprint with the opening of another 4B subsidiary in Indonesia in December of 2024. This follows on from the opening of 4B Middle East in the UAE in 2023 and further extends the Company's international presence. The 4B Group now has nine international subsidiaries around the world servicing their local and regional markets enabling faster deliveries and timely engineering and sales support. We are excited about the opportunities in Indonesia which is the fourth most populous country in the world with over 280 million people and therefore represents a very significant and rapidly growing market for the feed and flour milling sectors into which 4B is selling its range of products.

The Group's strategy of investment in innovation continues to drive revenue growth. The Guardflex released in 2023 has allowed our electronics team to capitalise on opportunities in the UK and Africa working with End Users to install comprehensive plant wide hazard monitoring solutions while the Vib-Mil vibration monitoring has enabled us to pursue new applications for condition monitoring. The business has also expanded its range of material handling components. 4B USA extended its range of CC-S plastic elevator buckets with the release of a Jumbo 20x10 inch bucket with a massive 16.78 litre capacity and a 19mm thick back wall. These ultra heavy-duty elevator buckets are typically used in bucket elevators at port terminals handling large volumes of grains, particularly in the US and South American markets. When installed in a triple row configuration these buckets can transport in excess of 2,000 tonnes of grain per hour. Our engineers are excited to be able to explore the high-capacity conveying possibilities that these larger sizes offer with our OEM and End User customers.

Business review (continued)

Elevator buckets being fitted on an 85 meter belt at Schoeman, Boerdery, Delmas, South Africa.

New capital investments

In 2024, the Group invested £1.4m in capital investments. £0.66m of this was for the purchase of four acres of land and property adjoining our USA warehouse. This investment will allow for the future expansion of our US facility as the business continues to grow. It enables the business to carry more inventory to support growth in revenue and opens up a number of possibilities to expand its manufacturing operations. In addition to the USA land and property purchase, other investments included a waterjet wire cutter, sealer and heat tunnel to package our plastic buckets in our US moulding facility, new decoilers and robot control systems for our UK steel bucket manufacturing.

In 2025 we look forward to developing the opportunities created by these investments, product developments and expansion into new markets. The Company continues to expand globally and strengthen its position to respond to customer demands while the broadening of both our product range and engineering know how builds resilience and competitive advantage ensuring the longevity of our business.

Carl Braime,
Joint Chief Executive Officer

Alan Braime,
Joint Chief Executive Officer

Group strategic report

The directors present their strategic report of the Company and the Group for the year ended 31st December 2024.

Principal activities

The principal activities of the Group during the year under review was the manufacture of deep drawn metal presswork and the distribution of material handling components and monitoring equipment. Manufacturing activity is delivered through the Group's subsidiary Braime Pressings Limited and the distribution activity through the Group's 4B division.

Braime Pressings specialises in metal presswork, including deep drawing, multi-stage progression and transfer presswork. Founded in 1888, the business has over 130 years of manufacturing experience. The metal presswork segment operates across several industries including the automotive sector and supplies external as well as Group customers.

The subsidiaries within the 4B division are industry leaders in developing high quality, innovative and dependable material handling components for the agricultural and industrial sectors. They provide a range of complementary products including elevator buckets, elevator and conveyor belting, elevator bolts and belt fasteners, forged chain, level monitors and sensors and controllers for monitoring and providing preventative maintenance systems which facilitate handling and minimise the risk of explosion in hazardous areas. The 4B division has operations in the Americas, Europe, the Middle East, Asia, Australia and Africa and in 2024 traded in ninety-six countries. The US subsidiary also has an injection-moulding plant. All injection-moulded products are made wholly for 4B internal consumption and this is classed as 4B division activity rather than included in the manufacturing segment. In December 2024, the Group established a new subsidiary in Indonesia to tap into the opportunities of the large grain industry in the country.

Performance highlights

For the year ended 31st December 2024, the Group generated revenues of £48.9m, up marginally from prior year revenues of £48.2m. Profit from operations was £3.7m, down £16,000 from prior year and EBITDA (Profit from operations, excluding depreciation and amortisation) was £5.1m, down £300,000 from prior year. The board is pleased with the Group results given concerns over the parlous state of the economy at the start of the year.

Profit before tax was £3.2m, down £137,000 from prior year.

At 31st December 2024, the Group had net assets of £23.0m.

Cash flow

Inventories increased by £1.9m as the Group built up stock reserves in light of recent tariff announcements by the new US administration. Trade and other receivables decreased by £20,000 but this was offset by an increase in trade and other payables by the same amount. In total the business generated funds from operations of £2.6m (2023 – £3.2m). During the year, the Group spent £1.4m on property, plant and equipment. £665,000 of this related to the four acres of land and property adjoining our USA warehouse which we purchased in August 2024 as announced in our interim report. Other additions were for plant and machinery and replacement vehicles. After the payment of other financial costs and the dividend, the cash balance (net of overdraft) was £1.9m, a decrease of £245,000 from the prior year.

Bank facilities

The Group's operating banking facilities are renewed annually. At the year end, the available headroom on its operating facilities was £3.1m. The Company has agreed the provisional terms of the development loan of £2.0m to finance the refurbishment of the oilcan roof at Hunslet Road and a further announcement will be made when the bank documentation is signed. The business continues to enjoy good relations with its bankers.

Taxation

The tax charge for the year was £865,000, with an effective rate of tax of 27.0% (2023 – 30.0%). The effective rate is higher than the averaged UK standard tax rate of 25.0% (2023 – 23.5%); this results from the blending effect of the different rates of tax applied by each of the countries in which the Group operates, in particular, our US operations' tax charge affects the blended rate. In any financial year the effective rate will depend on the mix of countries in which profits are made, however the Group continues to review its tax profile to minimise the impact.

Capital expenditure

In 2024, the Group invested £1.4m (2023 – £1.6m) in property, plant and equipment and intangible assets. In addition to the USA land and property purchase, other additions included replacement vehicles, a waterjet wire cutter, sealer and heat tunnel, new decoilers and robot control systems.

Balance sheet

Net assets of the Group have increased to £23.0m (2023 – £20.8m). During the year sterling strengthened against the United States dollar but fell back again at the year end. Consequently, a small foreign exchange gain of £12,000 (2023 – £505,000 loss) was recorded on the re-translation of the net assets of the overseas operations.

Customised belt slitting at 4B Asia Pacific, Bangkok, Thailand.

Group strategic report (continued)

STRATEGY DRIVERS

ENGINEERING LED
Engineering led business focused on the needs of the end user

IDENTIFY OPPORTUNITIES
Identify opportunities to suit local conditions and local markets

STRONG RELATIONSHIPS
Strong relationships with long term partners

LONG TERM
Long term outlook – continuing to invest in designs and new machinery

VALUED EMPLOYEES
Place value on employee engagement – loyalty and creativity and entrepreneurship

Principal exchange rates

The Group reports its results in sterling, its presentational currency. The Group operates in a number of other currencies and the principal exchange rates in use during 2024 and the comparative figures for 2023 are shown in the table below.

Currency	Symbol	Average rate Full year 2024	Average rate Full year 2023	Closing rate 31st Dec 2024	Closing rate 31st Dec 2023
Australian Dollar	AUD	1.943	1.880	2.023	1.868
Chinese Renminbi (Yuan)	CNY	9.128	8.821	9.077	9.041
Euro	EUR	1.184	1.152	1.210	1.154
South African Rand	ZAR	23.466	23.088	23.644	23.307
Thai Baht	THB	44.976	43.423	42.898	43.805
United Arab Emirates Dinar	AED	4.695	4.578	4.601	4.671
United States Dollar	USD	1.278	1.248	1.253	1.275

Our business model

The two segments of the Group are very different operations and serve different markets, however together they provide diversification, strength and balance to the Group and their activities.

The focus of the presswork manufacturing business is to produce quality, technically demanding steel components. The use of automated equipment allows us to produce in high volumes whilst maintaining flexibility to respond to customer demands.

The material handling components business operates from a number of locations around the globe allowing us to be close to our core markets. The focus of the business is to provide innovative solutions drawing on our expertise in material handling and access to a broad product range. We continually assess new locations in response to rising demand and market trends.

Performance of Braime Pressings Limited, manufacturer of deep drawn metal presswork

Braime Pressings Limited sales of £9.9m were down £591,000 on prior year. External sales and intercompany sales were £5.2m and £4.6m as compared to £5.7m and £4.8m respectively in 2023. Profit for the period was £631,000 (2023 – £613,000). The board believes the business continues to add strategic value through its supply to the 4B division and complementary engineering expertise.

Performance of the 4B division, world-wide supplier of components and monitoring systems for the material handling industry

Revenues increased from £50.3m to £52.2m, with external sales up £1.3m to £43.7m. Profit for the period increased by £64,000 to £2.3m. Our American market grew during the year, but allowing for the effect of foreign currency translation, sales, as reported in sterling, were down by less than 1% compared to last year. The strongest growth was seen in our African and Australasian markets, which saw growth of 17% and 14% respectively.

Key performance indicators

The Group uses the following key performance indicators to assess the performance of the Group as a whole and of the individual businesses:

Key performance indicator	Note	2024	2023
Turnover growth	1	1.6%	7.3%
Gross margin	2	47.7%	46.8%
Operating profit	3	3.65m	3.75m
Stock days	4	206 days	179 days
Debtor days	5	52 days	52 days

Notes to KPIs

1. **Turnover growth**
   The Group aims to increase shareholder value by measuring the year-on-year growth in Group revenue. Whilst growth is lower than 2023, given the outlook for the sector and the concern over the parlous state of the economy particularly at the beginning of the year, the board remains pleased with the revenue growth.
2. **Gross margin**
   Gross profit (revenue plus change in inventories less raw materials used) as a percentage of revenue is monitored to maximise profits available for reinvestment and distribution to shareholders. The board is pleased to report an increase in margin as a result of an improved mix in electronics over mechanical products.
3. **Operating profit**
   Sustainable growth in operating profit is a strategic priority to enable ongoing investment and increase shareholder value. Reduction in operating profit resulted from an increase in overheads due to higher inflation, nevertheless management remains pleased with the results in the current economic climate.
4. **Stock days**
   The value of period end inventories divided by raw materials and consumables used and changes in inventories of finished goods and work in progress expressed as a number of days is monitored to ensure the right level of stocks are held in order to meet customer demands whilst not carrying excessive amounts which impacts upon working capital requirements. Stock days have increased due to inventory build-up in December 2024, which was put in place to mitigate the impact of potential tariffs that may be imposed following the outcome of the US election and change in administration.
5. **Debtor days**
   The value of period end trade receivables divided by revenue expressed as a number of days. This is an important indicator of working capital requirements. Debtor days have remained in line with prior year. Management are focused on cash collections.

   Other metrics monitored weekly or monthly include quality measures (such as customer complaints), raw material buying prices, capital expenditure, line utilisation, reportable accidents and near-misses.

Principal risks and uncertainties

The geo-political landscape is currently in constant flux and established alliances are being reset. The continued conflict in Ukraine and Gaza and new uncertainties over Europe's security impact the world markets in which the Group operates. As commented in the Chairman's statement, the current economic and geopolitical situation is fraught with uncertainty.

However, the Group's short reporting lines of management means it can remain nimble footed to sudden and/or large changes in the business landscape and our global operations gives us diversity and protection from extreme fluctuations.

General risks

The market remains challenging for our manufacturing division, due to pricing pressures throughout the supply chain and competition from the Far East. The maintenance of the TS16949 quality standard is important to the Group and allows it to access growing markets within the automotive and other sectors. A process of continual improvement in systems and processes reduces this risk as well as providing increased flexibility to allow the business to respond to customer requirements.

Our 4B division maintains its competitive edge in a price sensitive market through the provision of engineering expertise and by working closely with our suppliers to design and supply innovative components of the highest standard. In addition, ranges of complementary products are sold into different industries. Continual feedback from our customers regarding product performance drive our new product designs. The monitoring systems are developed and improved on a regular basis.

The directors receive monthly reports on key customer and operational metrics from subsidiary management and review these. The potential impact of business risks and actions necessary to mitigate the risks, are also discussed and considered at the monthly board meetings. The directors have put in place formal business continuity and disaster recovery plans with respect to its UK and overseas operations. During the year as part of the Group's strategic planning process, each subsidiary set out the key risks specifically facing the business and these are evaluated further to develop the Group risk register. The more significant risks and uncertainties faced by the Group are set out below:-

- **Raw material price fluctuation**:- The Group is exposed to fluctuations in steel and other raw material prices and to mitigate this volatility, the Group fixes its prices with suppliers where possible.
- **Energy price fluctuation**:- The manufacturing division is energy intensive. It uses forward contracts to mitigate volatility and is continually evaluating its processes to reduce energy consumption and generate energy.
- **Reputational risk**:- As the Group operates in relatively small markets any damage to, or loss of reputation could be a major concern. Rigorous management attention and quality control procedures are in place to maximise right first time and on time delivery. Responsibility is taken for ensuring swift remedial action on any issues and complaints.
- **Damage to warehouse or factory**:- Any significant damage to a factory or warehouse will cause short-term disruption. To mitigate these risks, the Group has arrangements with key suppliers to step up supply in the event of a disruption.
- **Economic fluctuations**:- The Group derives a significant proportion of its profits from outside the UK and is therefore sensitive to fluctuations in the economic conditions of overseas operations including foreign currency fluctuations. As the Covid-19 pandemic demonstrated, economies are greatly intertwined and reverberations feed through the supply chain. The recent imposition of tariffs by the US is likely to disrupt established trading patterns.
- **Cyber security**:- All businesses now rely almost totally on computers, networks and systems with 'data' information held on them, and require privacy and integrity of this data. The likelihood of cyber security attacks and security threats are key risks for every organisation. The Group reviews its security measures regularly with its IT providers and has recently commissioned a cyber security review across all its operations.

Group strategic report (continued)

Financial instruments

The operations expose the Group to a variety of financial risks including the effect of changes in interest rates on debt, foreign exchange rates, credit risk and liquidity risk.

The Group's exposure in the areas identified above are discussed in note 17 of the financial statements.

The Group's principal financial instruments comprise sterling and foreign cash and bank deposits, bank loans and overdrafts, other loans and obligations under finance leases together with trade debtors and trade creditors that arise directly from operations. The main risks arising from the Group's financial instruments can be analysed as follows:

Price risk

The Group has no direct exposure to securities price risk, as it holds no listed equity instruments. The Group maintains a defined benefit scheme, the asset valuations are subject to market changes (note 19).

Foreign currency risk

The Group operates a centralised treasury function which manages the Group's banking facilities and all lines of funding. Forward contracts are on occasions used to hedge against foreign exchange differences arising on cash flows in currencies that differ from the operational entity's reporting currency.

Credit risk

The Group's principal financial assets are bank balances, cash and trade receivables, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. Credit risk is mitigated by a stringent management of customer credit limits by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The Group also has credit insurance in place. The amounts presented in the balance sheet are net of allowance for doubtful debts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

The Group's policy has been to ensure continuity of funding through acquiring an element of the Group's fixed assets under medium term loans and finance leases and arranging funding for operations via bank overdrafts to aid short term flexibility.

Cash flow interest rate risk

Interest rate bearing assets comprise cash and bank deposits, all of which earn interest at a fixed rate. The interest rate on the bank overdraft is at market rate and the Group's policy is to keep the overdraft within defined limits, such that the risk that could arise from a significant change in interest rates would not have a material impact on cash flows. The Group's policy is to maintain other borrowings at fixed rates to fix the amount of future interest cash flows.

The directors monitor the level of borrowings and interest costs to limit any adverse effects on the financial performance of the Group.

Research and development

The Group continues to invest in research and development and from time to time liaises with university engineering groups with a view to improving features of its products. This has resulted in innovations in the products which will benefit the Group in the medium to long term.

Duties to promote the success of the Company

Section 172 of the Companies Act 2006 requires the directors to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the most likely consequences of any decision in the long term;
- the interest of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between the members of the Company.

The board confirms that, during the year, it has had regard to the matters set out above. Further details as to how the directors have fulfilled their duties are set out below and in the Governance Report which in particular, expands on directors' duties and stakeholder liaison.

On behalf of the board

Cielo Cartwright, Chief Financial Officer

17th April 2025

Corporate social responsibility

Business ethics and human rights

The board is respectful of the Company's long history, and considers the long-lasting impact of its decisions. We are committed to conducting our business ethically and responsibly, and treating employees, customers, suppliers and shareholders in a fair, open and honest manner. As a business, we receive audits by both our independent auditors and by our customers and we look to source from suppliers who share our values. We encourage our employees to provide feedback on any issues they are concerned about and have a whistle-blowing policy that gives our employees the chance to report anything they believe is not meeting our required standards.

The Group is similarly committed to conducting our business in a way that is consistent with universal values on human rights and complying with the Human Rights Act 1998. The Group gives appropriate consideration to human rights issues in our approach to supply chain management, overseas employment policies and practices. Where appropriate, we support community partnering.

Health and safety

We maintain healthy and safe working conditions on our sites and measure our ability to keep employees and visitors safe. We continuously aim to improve our working environments to ensure we are able to provide safe occupational health and safety standards to our employees and visitors. The directors receive monthly H&S reports and we carry out regular risk management audits to identify areas for improvement and to minimise safety risks. As a global business, the Group is able to tap into the experience of its various international locations to share best practice and learning points. The experience of Covid-19 has improved our plans and procedures in the event of future pandemics.

Employees

The quality and commitment of our people has played a major role in our business success. This has been demonstrated in many ways, including improvements in customer satisfaction, the development of our product lines and the flexibility they have shown in adapting to changing business requirements. Employee performance is aligned to the achievement of goals set within each subsidiary and is rewarded accordingly. Employees are encouraged to use their skills to best effect and are offered training either externally or internally to achieve this. As a global business, the Group fully recognises and seeks to harness the benefits of diversity within its work force.

Environment

The Group's policy with regard to the environment is to understand and effectively manage the actual and potential environmental impact of our activities. Operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business and is currently looking at the new reporting requirements that may fall due in the future. The Group continuously looks for ways to harness energy reduction (electricity and gas) and water. The Company has already

Skilful installation of IE node electronic monitoring equipment on a silo elevator at Shobnall Maltings, Soufflet Malt, Burton on Trent, England.

installed two solar PV systems on its UK premises generating 310 KWh of energy and is looking to install a further PV system once the roof refurbishment is complete. During the period of this report the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations. The board is cognizant that climate change will change the business landscape for the future and is working to understand its wide-ranging impact on the Group's activities and operations.

Social and community matters

We recognise our responsibility to work in partnership with the communities in which we operate and we encourage active employee support for their community in particular, in aid of technical awareness and training. We regularly participate in a number of education events encouraging interest in engineering in young people. It is our policy not to provide political donations.

Cielo Cartwright, Chief Financial Officer

17th April 2025

The Board

Nicholas Braime, Executive Chairman

Nicholas joined the Group in 1972 and was instrumental in the set-up of the 4B division's USA business in 1984, where he spent a number of years before returning as Sales Director for Braime Pressings Limited. Nicholas was appointed Chairman in 1987 and became Group Managing Director in 2006. Nicholas is Executive Chairman and takes a prime interest in the Group's infrastructure and product development. Nicholas has built close relationships with the Company's key suppliers over several decades and has a clear vision of expansion for the business in strategic locations.

Alan Braime, Joint Chief Executive Officer

Alan qualified as a chartered accountant with KPMG where he worked for four years before joining the Group. Alan joined the board in 2010 as Group Commercial Director. He oversees the commercial operations of our manufacturing division Braime Pressings Limited as well as our operations in Thailand. Alan is also responsible for the Group's IT operations and strategy. Alan has spent considerable time on the development of the Group's ERP systems, giving him a unique perspective into the impact of technology on the Group's business drivers.

Carl Braime, Joint Chief Executive Officer

Carl joined the Group in 2004 as Group Sales Director. Carl spent a number of years in South America with the Group prior to being appointed to the board in 2010. He is responsible for the 4B division, overseeing its strategic customer relationships, as well as the management of key supply chains and its marketing strategy. Carl has built up a strong expertise and know-how of the Group's product offerings and technologies, and their interdependencies.

Cielo Cartwright, Chief Financial Officer

Cielo joined the Group in 2018. Cielo qualified as a chartered accountant with EY and has been divisional finance director in various public listed companies including KCOM plc and NEXT plc. She was Group FD of Chaucer Foods, a private-equity owned multinational manufacturer and before joining the Group, she was at Froneri, a JV of Nestle SA. Cielo's extensive experience in international businesses makes her fully attuned to the cultural issues of global operations and their impact on financial management. Cielo is the Deputy Chair of the board of governors of Leeds Becketts University and is a member of the regional advisory board of Make UK for Yorkshire and the Humber.

Mark Cooper, Non-Executive Director

Mark was until 2022 the Managing Director of Steel & Alloy, which is part of the multinational conglomerate Gonvarri Industries. Mark has 40 years of experience with Steel & Alloy and has served in a variety of senior executive roles including sales and procurement and was instrumental in setting up Steel & Alloy's plant in Turkey where he also served as Managing Director. Mark brings with him significant knowledge of the steel and automotive industry.

Dr Tony Steels, Non-Executive Director

Tony was previously Chief Executive of Mpac Group PLC and has a significant track record of profitable, sustainable growth in the global technology and capital equipment industry. Tony has held a number of senior executive UK and international management positions at Cytec Industries Inc., Umeco Plc and Georg Fischer AG, based in the UK and China. He has degrees in engineering, management and a PhD in business process modelling from UMIST. Tony is the Senior Independent Director.

Philip Stockdale, Non-Executive Director

Philip has a degree in mathematics and electronics from the OU, and is a certified electrical engineer. He has extensive experience of the nuclear, oil and gas, engineering and manufacturing industries. Philip has previously held senior executive roles in a number of multinationals including AGT International, Thales, and Engica Technology Systems International. Philip's key expertise is strategy and business development.

Corporate governance report

Chairman's statement on corporate governance

At Braime we recognise that high standards of corporate governance underpin our continuing success.

We continually review the framework within which we operate and the processes implemented to ensure that they reflect the complexities of our business and, whilst acknowledging our size, are also capable of adding value as the business grows to ensure that the stakeholders interests are always aligned with the Company. The Company seeks guidance from the Quoted Companies Alliance, as set out in their 2023 publication, "The QCA Corporate Governance Code".

The board sets out the overall strategic direction for the Group, regularly reviews management performance and ensures that the Group has the right level of resources available to support our strategic goals. The board is satisfied that the necessary controls and resources are in place such that these responsibilities can be properly addressed.

Within the Group we promote a culture of good governance in dealing with all key stakeholders: our employees, our customers and our shareholders. The following report describes our corporate governance structures and processes and how they have been applied throughout the year ended 31st December 2024. The board considers that it has complied with the recommendations of the QCA Code throughout the year. This is commented on further below.

Principles and approach

As an AIM Company, Braime Group PLC is not required to comply with the UK Corporate Governance Code (the 'Code') which applies only to fully listed UK companies and adherence to which requires the commitment of significant resources and cost. However high standards of corporate governance are a key priority of the board. Details of how the Company addresses key governance issues by reference to the 10 Principles of Corporate Governance as developed by the Quoted Companies Alliance (QCA) are discussed further in this report and set out in the Corporate Governance section of the Group website www.braimegroup.com/corporate-governance. These principles are as follows:

QCA Code Principle	How it should be applied	How the Company applied it
1. Establish a purpose, strategy and business model which promote long-term value for shareholders	The board must be able to express a shared view of the Company's purpose, business model and strategy. The board should be able to explain how the Company intends to deliver shareholder value in the medium to long-term. The board should have specific long-term objectives against which it can determine if the Company is succeeding in delivering on its purpose. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the Company from unnecessary risk and securing its long-term future.	The main area of our business is focused on handling agricultural commodities and our strategy is to continue to increase our geographical reach in this global market and to develop new products to enhance our offering. The principal risks and uncertainties surrounding execution of our strategy are set out in the Group strategic report.
2. Promote a corporate culture that is based on ethical values and behaviours	The board should embody and promote a corporate culture that is based on sound ethical values and behaviours, and which is supportive of the delivery of the Company's established purpose, strategy and business model. The desired culture should be reflected in the actions and decisions of the board and management team. Corporate values should guide objectives and strategy. The culture should be visible throughout the Company's operations. The performance and reward system should reflect and reinforce this. The corporate culture should be recognisable throughout the disclosures in the annual report, website, and any other communications by the Company, both internal and external.	The board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. The companies in the Group maintain handbooks which include clear guidance on what is expected of every employee and officer of the Company and further development of this guidance is being undertaken to continually strive for high standards. Staff matters are a standing topic at every board meeting and the board discusses examples of behaviours that either aligns with or at odds with the Group's stated values. The directors believe that the Company's culture encourages collaborative, ethical behaviour which benefits employees, clients and stakeholders. It is committed to conducting business ethically and responsibly, and treating employees, customers, suppliers and shareholders in a fair, open and honest manner. We aim to maintain healthy and safe working conditions on all our sites and measure our ability to keep employees and visitors safe. We encourage our employees to provide feedback on any issues they are concerned about and the directors maintain a culture of accessibility and fair play and travel extensively to keep in touch with all areas of the business. The directors believe all employees and contractors have worked in line with the Group's values during this financial year.

Corporate governance report (continued)

Principles and approach (continued)

QCA Code Principle	How it should be applied	How the Company applied it
3. Seek to understand and meet shareholder needs and expectations	Directors must develop a good understanding of the needs and expectations of all elements of the Company's shareholder base. Where there is a controlling shareholder the Company should consider arrangements to protect minority shareholders. The board should ensure proactive engagement with shareholders on governance matters. This should be led by the Chair or, where appropriate, the Senior Independent Director. Other directors should also make themselves available for engagement with shareholders. The board must manage shareholders' expectations and seek to understand the motivations behind voting decisions.	The Company engages with shareholders through its website and at the annual general meeting. At the AGM, a presentation of the business activity and outlook is presented by the Chairman. The executives make themselves available for other meetings at other times of the year. The feedback from shareholders attending the most recent AGM has been very positive. Responsibility for shareholder liaison rests with the Chairman, and in his absence, with the Company Secretary.
4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success	Long-term success relies upon good relations with a range of different stakeholder Groups. The board should periodically identify the Company's key stakeholders and should understand their needs, interests, and expectations. Systems need to be in place to solicit, consider and act on feedback from all stakeholders. In particular, the Company should ensure that its practices towards its employees are consistent with the Company's values. Employees should be able to raise concerns in confidence and processes should ensure that such matters are considered and where appropriate actions are taken. The governance of relevant environmental and social issues is a responsibility of the board. Matters that relate to the Company's impact on society, the communities within which it operates, or the environment (including those relating to climate change) may affect the Company's ability to deliver shareholder value over the medium to long-term. These must be integrated into the Company's strategy, risk management and business model.	The Company recognises the importance of maintaining good relations with key stakeholder Groups, in addition to its members, these are its employees, customers, key suppliers and regulatory bodies. The Company dedicates significant time to understanding and acting on the needs and requirements of each of these Groups via meetings dedicated to obtaining feedback. The Group is fortunate to have so many proactive and longstanding employees and staff turnover remains very low. The Group has dedicated quality teams and works very closely with its key suppliers in key product categories such as monitors, chain, belts and steel, to ensure that products continue to meet the appropriate quality standards, and features are regularly enhanced to obtain and maintain competitive edge. Each subsidiary is encouraged to engage in activities which support its local community.
5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation	The board needs to ensure that the Company's risk management framework identifies and addresses all relevant risks in order to execute and deliver on its state purpose and strategy. Companies need to consider their extended business, including the Company's entire supply chain, other material third-parties and reliance on strategic partners. Setting strategy includes determining the extent of exposure that the Company is able to bear and willing to take (risk tolerance and risk appetite). The Company should ensure that a balanced view is achieved, and, as well as threats should consider opportunities and the potential for value creation. The board should ensure that all potential risks are considered, proportionately and materially, including climate change. The board should review and consider whether the Company's enterprise-wide internal controls are sufficiently robust to manage the identified risks adequately. The board, and in particular the audit committee, must ensure that there are appropriate assurance activities. This may be based on access to internal resources, or the utilisation of external experts. It is important to ensure that the Company auditor is and is seen to be sufficiently independent of management.	The executives have undergone a business continuity planning exercise to understand its exposure to the loss of key staff, suppliers, customers and other natural catastrophic events, enabling the generation of a risk register. Principal risks facing the Group are set out in the Group strategic report. Insurance of key risks is an integral part of the Group's risk management framework and the board actively reviews its cover requirements on an ongoing and at least annual basis. The Company undertook a tender process to appoint new auditors in 2024, the process was presented to the Audit Committee. The auditors document their assessment of audit risks in their Planning memorandum which is received by the board. The Audit Committee receives the auditors key findings report at the end of the audit. To maintain independence, the Group auditors are not involved in any preparation of the financial statements and do not provide any tax compliance advice. They have not provided any other services other than audit services during the year.
6. Establish and maintain the board as a well-functioning, balanced team led by the Chair	The board members are collectively legally responsible for promoting the interests of the Company and for defining corporate governance arrangements. The board should not be dominated by one person or a Group of people, and each director must be able to commit the time necessary. Ultimate responsibility for the quality and effectiveness of the board lies with the Chair. Shareholders should be given the opportunity to vote annually on the (re-) election of all individual directors to the board. In order to uphold the quality of board independence, the board should be comprised of an appropriate balance between executive and non-executive directors. As a minimum there should be at least two non-executive directors. Key committees, in particular the audit committee and remuneration committee, should comprise at least a majority of independent NEDs and ideally aim for full independence. NEDs should rarely participate in performance-related remuneration schemes or have a significant interest in the Company's shares. The board should reflect on its own levels of diversity. Boards should assess how their collective and individual perspectives add to board discussions.	The board consists of four executive directors, Nicholas Braime, Carl Braime, Alan Braime and Cielo Cartwright, and three independent non-executive directors, Mark Cooper, Tony Steels and Philip Stockdale. Tony Steels is Senior Independent Director and chairs the board meetings in Nicholas' absence. The Board considers that the number of independent non-executives is appropriate for the size and nature of the Company. Board meetings are held monthly. Certain matters are standing agenda items at each board meeting – these include disclosure of directors' interests, health and safety, reports from the CEOs and heads of the subsidiary businesses, the CFO's report, specific customer issues, IT, major capital expenditure, business development and AIM disclosures. A formal agenda, board papers including minutes of the last meeting are circulated in advance. The attendance of the directors at board meetings can be found below. The Company's Articles of Association provide for at least one third of all directors to resign annually and put themselves forward for reelection.

QCA Code Principle	How it should be applied	How the Company applied it
7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities	The Company should maintain governance structures and processes in line with its desired culture and appropriate to its size, complexity, risk appetite and risk tolerance. The governance structures, processes and policies should evolve over time to reflect its maturity and stage of development. The board should be supported by committees that also have the necessary skills and knowledge. The board should ensure that it has the necessary skills and experience to fulfil its governance responsibilities, including among other things with respect to cyber security, emerging technologies, and sustainability. The board should consider any need, seek input from external advisers on such matters. All directors should continually update their skills and knowledge. The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.	The board members' experience and areas of expertise can be found in The Board section. The board is committed to the promotion of gender balance and diversity within its workforce. At the time of writing there are six male board members and one female board member. The Company organises briefings from its NOMAD for the directors covering regulations that are relevant to their role as directors of an AIM-quoted Company. These are held at a minimum on an annual basis. The Company has not to date, sought external advice on keeping directors' skills up to date but the directors believe that their blend of formal qualifications, past and ongoing experience provides them with the relevant up-to-date skills needed to act as board members for a Company of its size.
8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvements	The board should regularly review its performance as a unit, as well as that of its committees and the individual directors. It is healthy for membership of the board to be periodically refreshed. No member of the board should become indispensable. Succession planning for both the executives and non-executives is a vital task for board. This should extend to contingency planning for the absence of key staff.	Performance targets are set as part of the budgeting process. Evaluation of the performance of the Company's board has historically been implemented in an informal manner and no formal board performance evaluation took place during the year. On an ongoing basis, board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to or backup for current board members. However, the directors consider that the Company is too small to have either an internal succession plan and it would not be cost effective to maintain an external candidate list prior to the need arising. Key performance indicators are set out in the annual report. The role of the various governance committees are set out further down this section.
9. Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture	It is the board's responsibility to establish an effective remuneration policy which is aligned with the Company's purpose, strategy and culture, as well as its stage of development and should motivate management and promote the long-term growth of shareholder value. Remuneration practices across the Company, in should support and reinforce the desired corporate culture and promote the right behaviours and decisions. Pay structures for senior management should be simple and easy for participants to understand and foster alignment with shareholders through the building and holding of a meaningful shareholding in the Company. The remuneration committee should, as necessary, consult with other board committees in order to set appropriate incentive targets and to appraise performance in respect of those targets. The annual remuneration report should be put to an advisory shareholder vote. Where not mandated to be put to a binding vote, remuneration policies should at least be put to an advisory vote.	The management of subsidiaries are based on performance and are incentivised to promote long term growth. Executives pay is recommended by the Chair having regard to the results for the year and reviewed by the Remuneration Committee as are the annual bonuses. The Company believes the remuneration and pay structures of the board are modest and commensurate for the type and size of the business and the market in which it operates.
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders	A healthy dialogue should exist between the board and all of its key stakeholders, including shareholders, to enable all interest parties to come to informed decisions about the Company. Board members, in particular the Chair, should be proactive in their effort. In particular, appropriate communication and reporting structures should exist between the board its shareholder base and other key stakeholders. This will assist the understanding of the unique circumstances and constraints faced by the Company. .	The Company's website provides all historical RNS announcements, interim reports and annual reports. The annual reports and AGM circulars are posted directly to all registered shareholders or nominees. Communication with shareholder base is primarily conducted at general meetings which include presentations by the Chairman. Historical annual reports including notices of all general meetings are shown in the investor section. The Company also maintains email and phone contacts which shareholders can use to make enquiries or requests. At the last AGM, all resolutions were passed unanimously by the shareholders voting. At this stage the Company does not publish an Audit Committee report or a Remuneration Committee report but it may look to do so in the future.

Corporate governance report (continued)

Strategy and risks

The Group strategic report on pages 7 to 10 sets out our strategy, which focuses on increasing our geographical reach in global markets, and developing new products to enhance our offering, particularly in the agricultural commodities sector. Our strategy setting includes review of the principal risks pertaining to the business and the extent to which the Group is able and willing to bear these risks. The board has put into place formal business continuity plans across all its operations to understand its exposure to loss of key staff, suppliers, customers and other natural catastrophic events, enabling the generation of a risk register. The existence of this plan was particularly helpful at the onset of the Covid-19 pandemic. The principal risks facing the business are set out in pages 9 to 10 of the Group strategic report. Insurance of key risks is an integral part of the Group's risk management framework, and the board actively reviews its cover requirements on an ongoing, and at least annual, basis.

The duties of the board of directors

The board is responsible for the overall operations of the Group, including strategic planning, approval of the annual budget, changes to the Group's financing arrangements, acquisitions and disposals, material contract and significant capital expenditure. It meets monthly to discuss reports from the overseas operations and to assess and action areas of significant change, risks and opportunities for the Group.

The board's time can be grouped into six key areas as outlined below. A portion of their time is also spent on administrative matters.

Strategy	• Setting strategic targets. • Reviewing new business developments, including potential acquisitions. • Research and technology.
Risk	• Group's risk and internal control framework.
Governance	• Legal updates and new disclosure requirements. • Internal board review. • Succession planning.
Finance	• Budget approval. • Oversight of the preparation and management of the financial statements. • Dividend policy. • Pensions strategy.
Stakeholder engagement	• AGM and other shareholder feedback. • Investor calls and meetings.
Safety	• Health and safety monthly updates and management.

The powers of the directors are set out in the Company's Articles of Association. In addition, the directors have responsibilities and duties under legislation, in particular the Companies Act 2006.

Composition of the board

The board comprises of four executive Directors and three non-executive Directors. The Chief Financial Officer also serves as Company Secretary to the board.

The board members' experience and areas of expertise can be found in the board biography section on page 12. The board is committed to the promotion of gender balance and diversity within its workforce. There are currently three male executive members and one female executive board member and three male non-executive independent board members.

The Company has periodically held briefings for directors covering regulations that are relevant to their role as directors of an AIM quoted Company. Historically, these briefings have coincided with significant changes in regulations and accounting standards, however going forward, the Company proposes that such briefings should be held at a minimum on an annual basis. The Company has not sought external advice on keeping directors' skills up to date but the directors believe that their blend of formal qualifications, past and ongoing experience provides them with the relevant up-to-date skills needed to act as board members for a Company of its size.

Board committees

The board operates a number of informal sub-committees as set out below, these are also available on the Group website.

Remuneration committee

The executive directors' pay is subject to the decision of the whole board and not of a separate committee. However, a separate meeting takes place annually whereby the non-executives receive and consider recommendations from the Chairman of proposed pay for the executive directors as shown in the meeting attendance table. Any significant changes to awards to senior management are discussed by the whole board. The Company's policy on directors' remuneration is discussed further in the directors' remuneration report. The directors believe this is adequate for a Group of this size.

Audit and risk committee

The whole board formally receives presentation of audit and risk matters from the Group's independent statutory auditors at least once a year. The consideration of business risks is a regular item on the board's agenda. The board considers that the size of the Group does not justify an internal audit function but continues to assess the requirement for an internal audit function under review.

Nomination committee

The Company typically uses the whole board to consider matters of nomination and succession. The nomination committee ensures there is a robust process for the appointment of new board directors, and works to identify the skills, experience, personal qualities and capabilities required for the next stage in the Company's development, linking the Company's strategy to future changes. The nomination committee also discusses the appointment and replacement of senior management within the Group.

Responsibilities of the board

The board members are collectively and legally responsible for promoting the interests of the Company and for defining corporate governance arrangements. Ultimately, the quality of and approach to governance lies with the Chair. The QCA Code recommends that there should be a clear division of responsibility between the running of the board and executive responsibilities for running the Company.

The Chairman is responsible for:

- setting the board agenda;
- the leadership of the board and ensuring its effectiveness on all aspects of its role;
- providing strategic insight from his long business experience in the industry and with the Company; and
- providing a sounding board for the executives on key business decisions and challenging proposals where appropriate.

The executive directors are responsible for:

- the day-to-day management of the Group's business;
- leading the business and the rest of the management team in accordance with the strategy agreed by the board;
- leading the development of the Group's strategy with input from the rest of the board;
- leading the management team in the implementation of the Group's strategy; and
- bringing matters of particular significance to the board for discussion and consideration by the board if appropriate.

In prior years, the roles of Chairman and Chief Executive were fulfilled by Nicholas Braime. Whilst this was a departure from the recommendation of the QCA code, the board considered this practical arrangement enabled the Group to utilise Nicholas' deep knowledge of the business and his extensive relationships with key stakeholders, whilst at the same time benefiting from his strategic vision. As part of the Group's succession planning, Nicholas stepped down as Chief Executive in February 2023, and Alan Braime and Carl Braime were appointed Joint Chief Executives, thereby splitting Nicholas' role as both Chairman and Chief Executive. Together Alan and Carl lead the execution of the overall Group strategy. In particular, Carl Braime oversees the 4B division whilst Alan focuses on the manufacturing division. Nicholas remains Executive Chairman.

The role of Company Secretary is fulfilled by Cielo Cartwright, the Chief Financial Officer. The Company Secretary liaises with the Chairman and the independent directors in the preparation of board meetings, including the timely provision of information. The Company Secretary also acts as a link between the Company and shareholders on matters of governance and investor relations. The Company is aware that at certain times, it may become necessary to separate the role of executive and secretary and should such events occur, takes the appropriate steps to do so.

Board attendance and agenda

Executive directors are employed on a full time basis and non-executive directors are expected to commit to a minimum of 20 days per year.

The board met formally 12 times throughout the year. Briefing papers were circulated electronically but available in paper format on request. During the year some board meetings were held as hybrid meetings, with some board members participating online. In addition to the regular scheduled meetings throughout the year, unscheduled supplementary meetings also take place as and when necessary. Directors who are unable to attend a particular meeting receive relevant briefing papers and are given the opportunity to discuss any issues with the executives.

To enable the directors of the board to carry out their responsibilities all directors are provided access to all relevant information. The board has a schedule of matters for its discussion, which is reviewed against best practice. A summary of matters reserved for the schedule is available on the Group's website.

In advance of all board meetings the directors are supplied with papers covering the Group's strategy and operations. Members of the executive management team can attend and make presentations as appropriate at meetings of the board.

Details of the number of meetings of the board during the period are set out in the table below.

Meeting attendance during 2024

Director	Board (12)	Audit & Risk Committee (1)	Remuneration Committee (1)
O. N. A. Braime	11	1	1
A. Q. Braime	12	1	–
C. O. Braime	11	1	–
C. B. Cartwright	12	1	–
M. T. Cooper	12	1	1
T. Steels	11	1	1
P. P. Stockdale	12	1	1

Board evaluation

The board continues to evaluate improvements to its conduct of business. Improvements have continued to be implemented throughout the year. During 2024, presentations from the Managing Directors of all subsidiaries have taken place to provide the non-executive directors with a greater opportunity to hear the diverse nature of the Group's operations first hand and a rolling programme of such presentations are again planned for 2025, and will include heads of product.

Performance targets are set as part of the budgeting process. Evaluation of the performance of the board has historically been implemented in an informal manner whereby the Chairman appraised the individual performance of the executives. The board supports and encourages all directors to undertake the necessary training and take up opportunities for professional and personal development. The board makes informal enquiries to compare its practices with other companies of a similar size but it has not conducted an externally facilitated board evaluation exercise or undertaken formal benchmarks on the grounds of cost.

Corporate governance report (continued)

Board evaluation (continued)

On an ongoing basis, board members maintain a watching brief to identify relevant internal and external candidates who may be suitable additions to or backup for current board members. However, the directors consider that the Company is too small to either have an internal succession plan and it would not be cost effective to maintain an external candidate list prior to the need arising. Key performance indicators are set out in the Group strategic report.

Support

Directors can obtain independent professional advice at the Company's expense in performance of their duties as directors. None of the directors obtained independent professional advice in the period under review. All directors have access to the advice and the services of the Company Secretary. In addition to these formal roles, the non-executive directors have access to senior management of the business either by telephone or via involvement at informal meetings. At least annually, our nominated advisor (NOMAD) is invited to a board meeting to provide training updates on directors' duties and any legislative changes.

Directors' conflict of interests

The Companies Act 2006 and the Company's Articles of Association require the board to consider any potential conflicts of interest. The board has procedures for managing and, where appropriate, authorising actual or potential conflicts of interest. Under those procedures, directors are required to declare at board meetings all directorships or other appointments to organisations that are not part of the Group and which could result in actual or potential conflicts of interest, as well as other situations which could result in a potential conflict of interest.

The board is required to review directors' actual or potential conflicts of interest at least annually. Directors are required to disclose proposed new appointments to the Chairman before taking them on, to ensure that any potential conflicts of interest can be identified and addressed appropriately. Any potential conflicts of interest in relation to proposed directors are considered by the board prior to their appointment. In this financial year there have been no declared conflicts of interest.

Elections

The Company's Articles of Association provide that one third of the directors retire by rotation each year at the AGM.

Relations with stakeholders

As required under by Section 172 of the Companies Act 2006, directors preside over the Group for the benefit of all stakeholders. Decisions taken by the board are always cognizant of the impact of each stakeholder group. Fundamentally, the goal is the long-term sustainable growth of the business, which will see returns to shareholders increasing, enable employees to realise their ambitions, and support customers in achieving their goals.

The directors consider the key stakeholders of the Group to fall into the following categories: its employees, its shareholders, customers, suppliers and other business-related parties.

Employees as stakeholders

Employees are key internal stakeholders with significant time and financial investment in the business. The Group provides both formal and informal communications through letters and notices, as well as regular visits by the directors to sites to meet with employees. However, the use on-line video conferencing, has also become established as a regular feature of communications. The directors are committed to providing a working environment that promote employees' wellbeing whilst facilitating their performance. Further details of employee engagement can be found in the Group strategic report.

Shareholders as stakeholders

The board recognises and values the importance of good communications with all shareholders. The Company engages with shareholders through the Group's website and at the AGM. At the AGM, a presentation of the business activity and outlook is presented by the Chairman. The feedback from shareholders attending our AGM has been positive. Responsibility for shareholder liaison rests with the Chairman, and in his absence, with the Company Secretary. All reports and updates are made available on the Group's website.

The AGM provides all shareholders with the opportunity to develop further their understanding of the Company. It is the principal forum for all the directors to engage in dialogue with private investors. All shareholders are given the opportunity to raise questions on any matter at the meeting. The Group aims to send notices of Annual General Meetings to shareholders at least 21 clear days before the meeting. Notices of the AGM are available on the Group's website. Following the AGM the voting results for each resolution are published and are available on the Group's website.

The Group's website www.braimegroup.com/investor-information provides all historical RNS announcements, interim reports and annual reports.

Customers and other stakeholders

The directors ensure that stakeholder management plans are in place for key customers and key suppliers. Directors ensure that appropriate levels of management time is afforded to meet with customers to understand their needs and with key suppliers to forge a strong, mutually beneficial partnership built on the principles of respect and long-term outlook.

Maintaining a reputation for high standards of business conduct

The board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. This is discussed further in point 8 of the QCA Code Principles.

Fair, balanced and understandable

The directors have also reviewed the financial statements and taken as a whole consider them to be fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's performance, business model and strategy and have considered the need to act fairly as between the members of the Company.

Directors' report

The directors present their annual report and financial statements for the year ended 31st December 2024.

Results and dividends

The profit for the year after taxation and transferred to reserves was £2,333,000 (2023 – £2,336,000). No dividend is to be proposed at the Annual General Meeting, but the interim dividends will be confirmed.

Directors

The directors who served during the year and their beneficial interests in the shares of the Company are detailed below:

	31st December 2024	1st January 2024
Alan Braime Ordinary shares	**35,175**	35,175
Carl Braime Ordinary shares	**35,175**	35,175
Nicholas Braime Ordinary shares	**143,400**	143,400
Cielo Cartwright Ordinary shares	**–**	–
Mark Cooper Ordinary shares	**–**	–
Tony Steels Ordinary shares	**–**	–
Philip Stockdale Ordinary shares	**–**	–

In accordance with the Company's Articles of Association O. N. A. Braime retires by rotation and, being eligible, offers himself for re-election.

In accordance with the Company's Articles of Association M. Cooper retires by rotation and, being eligible, offers himself for re-election.

In accordance with the Company's Articles of Association T. Steels retires by rotation and, being eligible, offers himself for re-election.

None of the directors had a beneficial interest in any contract to which the Company or a subsidiary Company was a party during the financial year.

The Company has made qualifying third party indemnity provisions for the benefit of its directors and officers. The indemnity was in force throughout the tenure of each director during the year and is currently in force. The Company also maintains Directors' and Officers' liability insurance in respect of itself and its directors.

Substantial shareholdings

The Company has been notified that as at 10th April 2025, apart from the directors, only the following persons are interested in more than 3% of the Ordinary shares of the Company:

	Ordinary shares held	Percentage
Town Centre Securities	**71,000**	**14.79%**
Hargreaves Lansdown Stockbrokers	**40,649**	**8.47%**
Mrs P. V. Smith	**27,500**	**5.73%**
Mrs P. S. Braime	**26,063**	**5.43%**
Walker Crips Investment Management	**21,000**	**4.38%**
Mrs B. R. Marshall & Family Trust	**20,000**	**4.17%**
Mrs A. Barnes	**16,655**	**3.47%**

Internal controls

The board is responsible for the Group's system of internal control and reviewing its effectiveness. Identification and evaluation of risks is an integral part of the board's planning process. The board receives monthly reports from the managing directors of all its subsidiaries and there is a financial controls procedure handbook which sets out the required controls. Controls within the Group are designed to provide the board with reasonable assurance regarding the maintenance of proper accounting records, the reliability of financial information and the safeguarding of assets. The Group's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material loss or misstatement. The board considers that the size of the Group does not justify an internal audit function, but continues to keep the need for an internal audit function under review. The board has conducted a review of the effectiveness of the Company's risk management and internal control systems.

Section 172 statement

The board states its compliance with s172(1) of the Companies Act 2006. Details as to how the directors have fulfilled their duties can be found in the Group strategic report and the Governance report.

Going concern

As noted in its Group strategic report, the Group operates in a number of currencies other than sterling, its principal currency. The exchange rate between sterling, the US dollar and the euro and the price of raw materials creates inherent uncertainty over the future gross margin of the Group.

The Group's net cash figure decreased from an opening figure of £2,172,000 to £1,927,000 as at 31st December 2024.

During the period the Group funding of working capital decreased by £1,867,000 due to an increase in inventories, as a result of stock build up in anticipation of potential tariffs. Overall cash derived from operating activities generated £2,637,000 (2023 – £3,237,000) net of the increased working capital funding.

Directors' report (continued)

Going concern (continued)

At 31st December 2024, the available headroom within the Group's borrowing facilities amounted to £3,051,000. The directors are of the continued view that through its Group banking partner it has sufficient access to financial resources.

The Group has contracts with a number of customers and suppliers across different geographic areas and industries which act to mitigate the volatility in any one area. The Group's forecasts and projections, taking account reasonably possible changes in trading performance, show that there is no substantial risk that the Group will not be able to operate within the level of its current facilities.

After due consideration, the directors confirm that they have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Company's and the Group's financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report, the directors' report, the directors' remuneration report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the UK and the rules of the London Stock Exchange for companies trading on the AIM. The directors have chosen to prepare financial statements for the Company in accordance with UK Generally Accepted Accounting Practice. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed by the parent company and applicable IFRSs as adopted by the UK have been followed by the Group, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors at the date of this report confirms that:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

Subscriptions and donations

Charitable donations amounting to £16,000 (2023 – £13,000) were paid during the year. There were no donations to political organisations.

Streamlined Energy and Carbon Reporting ("SECR")

The directors are of the opinion that the disclosure required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are not required because the reporting requirements fall on the Company as an individual entity, and neither the Company, nor any of its individual subsidiaries, met the threshold criteria for the year ended 31st December 2024.

Auditors

A resolution proposing Azets be re-appointed as auditors of the Company will be put to the Annual General Meeting.

By order of the board

Cielo Cartwright, Secretary
17th April 2025

Directors' remuneration report

The purpose of this report is to inform shareholders of the Company's policy with regard to executive remuneration and to provide full details of the salary and other benefits received by individual directors. The directors have adopted the principles of good governance as set out in the Combined Code and the Directors' Remuneration Report Regulations 2002. However, following the Company's move to AIM, compliance with this report is no longer mandatory.

Remuneration committee

As noted in the corporate governance report, executive directors' pay is subject to the decision of the whole board and not of a formal Remuneration Committee. The directors believe that this is adequate for a Group of this size.

Statement of Company's policy on directors' remuneration

The board's policy is that the remuneration of the directors should reflect market rates applicable to a business of its size and complexity. This information is assessed by the board based on their commercial contacts within the industry and the local business community. It is intended that this policy will remain in place for the following financial year and subsequent periods.

There are no formal performance related elements, entitlements to share options or entitlements under long-term incentive plans in directors' remuneration. All employees of the Group, including directors, may however receive a discretionary bonus which reflects the results of the Group.

The only elements of directors' remuneration that are pensionable are salaries.

There are no performance conditions relating to the non-executive directors' fees.

Service contracts

The non-executive directors have service contracts with the Company. Other than Cielo Cartwright, the executive directors do not have service contracts with the Company or its subsidiaries. The executive directors are subject to election by the shareholders at the first Annual General Meeting following their appointment and thereafter at least at every third subsequent Annual General Meeting. No compensation other than that prescribed by legislation is payable on termination of their employment.

Directors' remuneration

The remuneration of the individual directors who served during the period was as follows:

	Fees £'000	Salary £'000	Estimated taxable value of benefits in kind £'000	**Total 2024 £'000**	Total 2023 £'000	**Pension contributions 2024 £'000**	Pension contributions 2023 £'000
Executive directors							
Nicholas Braime	–	201	10	**211**	202	**–**	–
Alan Braime	–	196	2	**198**	177	**28**	25
Carl Braime	–	196	2	**198**	177	**28**	25
Cielo Cartwright	–	154	1	**155**	141	**14**	12
Non-executive directors							
Mark Cooper	35	–	–	**35**	22	**–**	–
Tony Steels	35	–	–	**35**	22	**–**	–
Philip Stockdale	35	–	–	**35**	22	**–**	–
	105	747	15	**867**	763	**70**	62
Paid by the Company	105	540	13	**658**	586	**42**	37

Bonus payments are included in salaries. The estimated taxable value of benefits-in-kind includes private medical cover. Pension contributions represent amounts paid to defined contribution pension schemes. Cielo Cartwright is provided with an electric company car.

Approval

The directors' remuneration report was approved by the board on 17th April 2025.

Nicholas Braime, Director

Independent auditors' report

to the members of Braime Group PLC

Opinion on financial statements of Braime Group PLC

We have audited the financial statements of Braime Group PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated cash flow statement, the Consolidated and Company statements of changes in equity and notes to the accounts, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

The Group consists of four UK entities and five overseas entities.

Braime Group PLC, Braime Pressings Limited, 4B Elevator Components Limited and 4B Braime Components Limited on which we are engaged to perform a statutory audit under ISAs (UK). These components comprised 73.92% of Group revenue, 72.59% of net profit and 78.19% of Gross Assets.

4B France Sarl, 4B Africa Elevator Components (Proprietary) Limited, 4B Braime (Changzhou) Industrial Control Equipment Co. Ltd. and 4B Asia Pacific Company Limited have had audits performed by component auditors in accordance with local legislation. 4B Australia PTY Limited is not required by local legislation to have an audit performed.

In accordance with ISA600 (revised), for all component entities, we carried out an assessment to determine what audit work was required to provide sufficient audit evidence for the purposes of Group reporting. Our assessment involved:

- Considering any conditions that may give rise to risk of material misstatement at the assertion level of the Group financial statements that are associated with that component.
- Considering specific risks that have been identified for the UK subsidiaries, and whether these risks apply to our overseas entities due to commonality of controls.
- Whether sufficient appropriate audit evidence is expected to be obtained for all significant balances, transactions and accounts disclosures from the audit work planned.
- The nature and extent of misstatements or control deficiencies identified at a component in prior year audits.

On completion of the assessment, we determined appropriate Component Performance Materialities for each component within the Group, to ensure sufficient audit work was carried out to provide an audit report on the consolidated accounts. Group instructions were issued to all component auditors that detailed the work to be performed and the materiality to be used for their audit work.

The component auditors returned to us our Group instructions, and in addition to a review of the Group instructions, discussions were held with the component auditors to confirm the extent of the work carried out. The working papers prepared by the component auditors were reviewed to ensure the work was completed as per our audit plan, and sufficient audit evidence had been obtained in order for us to provide an opinion on the Group.

We carried out our own detailed audit procedures on 4B Australia PTY Limited, due to an audit not being required by local legislation.

A firm of auditors in the USA attended a year-end inventory count of 4B Elevator Components Limited, and a firm of Chartered Accountants in Australia attended a year-end inventory count of 4B Australia PTY Limited.

Key audit matters

Key audit matters are those which, in our professional judgement, were of most significance during the audit of the financial statements for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed during our audit of the financial statements as a whole, and in forming an opinion thereon, and we do not provide a separate opinion on these matters. We have outlined below a summary of how the scope of our audit addressed each matter. This is not a complete list of all risks identified by our audit.

Key Audit Matter	Description of Key Audit Matter
Carrying value of Inventories – £14,454k (2023 – £12,587k) **Carrying value of Inventories in Braime Pressings Limited – £705k (2023 – £626k)** **Value of impairment recognised in the Income Statement – £290k (2023 – £195k)** (Group) Refer to the accounting policy in note 1.20 in the Group financial statements. Also see note 10 in relation to the impairment of inventories.	Management value stock at the lower of cost and net realisable value. Braime Pressings Limited manufacture stock which requires management's assessment of overhead absorption giving rise to estimation uncertainty. This relates to the assessment of the manufacturing overheads to be absorbed into the cost of stock. Management perform an estimate of the overhead absorption rate based on key assumptions. These include level of manufacturing labour, allocation of overheads (such as depreciation, utilities and management charges) which is then reduced by an overall efficiency rate which is estimated based on operational reports. Management have to exercise judgement in order to calculate provisions for slow-moving, damaged and obsolete inventories. The Group has consistently adopted a policy of making impairment provisions based upon the ageing of inventories, where items which have not moved within 12 months are provided against. As such, the estimation uncertainty surrounding provisions is deemed to be a key audit matter.

How the scope of our audit addressed this matter:

Assessed the Group's calculation of the overhead absorption rate used within inventories by carrying out the following:-

- Reviewing management's efficiency rates against operating efficiency figures maintained by the production team and ensuring these have been applied appropriately to the workings, considering the weighted average efficiency per machine and ensuring this is calculated appropriately across the period.
- Obtaining an understanding as to why each cost line has been included within the overhead absorption rate, assessing compliance with IAS2.
- Agreeing a sample of costs included within the calculation back to the financial statements or other supporting evidence.
- Assessing accuracy of the workings provided by management, ensuring formulae were working as intended.
- Performing a sensitivity analysis in respect of the key inputs within managements' assessment.

We concluded that management's assessment of the overhead absorption was materially correct.

Assessed management's assumptions in relation to the stock provisions by carrying out the following:-

- Reviewing accuracy of the workings provided by management, ensuring formulae were working as intended.
- Challenging management's approach to assessing the impact of recent sales on the provisions required.
- Reviewing the reasonableness of the assessment that all stock aged over 12 months which has not moved is provided against.
- Forming an Auditor's point estimate by carrying out a recalculation of the provision.
- In addition to the above, assessing the net realisable value (NRV) of inventories by agreeing our finished goods sample through to post year end sales invoices, to ensure goods are being sold at greater than cost.
- Observing the condition of inventories during our stock count procedures for any evidence of obsolete or damaged inventories held.
- Reviewing relevant disclosures made in the financial statements and agreed to supporting documentation where appropriate.

We concluded that management's assessment of the stock provision was deemed to be appropriate and materially correct.

Independent auditors' report (continued)

to the members of Braime Group PLC

Key Audit Matter	Description of Key Audit Matter
Carrying value of Investment in subsidiaries – £2,491k (2023: £1,978k) (Parent) Refer to the accounting policy in note 2.6 and note 5 in the parent financial statements.	Braime Group PLC holds an investment in its subsidiaries which is subject to an impairment review under IAS36. The directors assess the carrying value of investments by considering the final reported results of each subsidiary, and the overall net asset position of each company, to assess whether the value of the business is indicating a reduction in value, which would therefore lead to an impairment being required. The directors also consider future results of the business, to consider if any changes to future trade would indicate an impairment being required at the balance sheet date. This is deemed to be a key audit matter due to the significance of the balance to the Parent company's financial position and the level of estimation in the assessment noted above

How the scope of our audit addressed this matter:

- Obtaining management's assessment of impairment and assessed its appropriateness and compliance with the requirements of IAS36.
- Challenging management's assumptions and corroborated reasons as to why investments were not impaired.
- Performing our own impairment assessment, comparing each subsidiaries net asset position with the value of the investments held for indication of any impairment.
- Reviewing relevant disclosures made in the financial statements and agreed to supporting documentation where appropriate.

Based on our audit procedures, we concluded that no impairment to the carrying value of investments was necessary.

Our application of materiality

Materiality has been applied as a basis for identifying the scope of our work performed in combination with risk assessment procedures. We set certain quantitative thresholds for materiality, in conjunction with qualitative considerations to help determine the scope of our audit and the nature, timing and extent of our audit procedures. We use materiality both in planning the scope of our audit work and in evaluating the results of our work and evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group	Parent
Overall Materiality	£400,000	£50,000
Performance Materiality	£280,000	£35,000
Benchmark	0.8% of Turnover	3% of Net Assets

In determining our benchmark for materiality, we have considered the metrics used by investors and other users of the financial statements. Given the Group's profit before tax has been historically volatile, we determined that Profit before tax would not be an appropriate benchmark for calculating materiality for the current year audit. Instead, we have determined materiality using the benchmark of revenue which is a key principal consideration in the performance of the Group.

For the Parent company, the primary activity of the Company is that of a holding Company and therefore is not profit or revenue orientated. We have therefore used 3% of Net Assets as a generally accepted audit benchmark for holding companies.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. In determining performance materiality, we considered the quality of the control environment and the nature, volume and size of uncorrected misstatements arising in the previous audit.

Component performance materiality: For each component in our audit scope, we allocated a component performance materiality that is less than our overall Group materiality. The range of component performance materiality across components ranged from £50,000 to £190,000.

We reported any corrected or uncorrected misstatements greater than £20,000 to the audit committee as well as those which warranted reporting on qualitative grounds. We also report to the audit committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the entity's ability to adopt the going concern basis of accounting included:

- Obtaining and agreeing the directors' going concern assessment to the budget and ensuring that the business is expected to generate sufficient cash to meet its liabilities as they fall due;
- Reviewing actual results to prior year forecasts to evaluate the accuracy of management's forecasting;
- Evaluating and assessing the process by which the Group's future cash flow forecasts were prepared, including the historical accuracy of forecasting;
- Assessing and challenging the key assumptions in the going concern forecasts including revenue, gross margins and profitability and other cost assumptions for the period to April 2026;
- Ensuring the mathematical accuracy of the forecasts;
- Performing our own sensitivity analysis on the budgets and forecasts prepared by management; and
- Considering the adequacy of disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt about the Group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent auditors' report (continued)

to the members of Braime Group PLC

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors reponsibilites. This description forms part of our auditor's report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Laws and regulations of direct significance in the context of the Group and parent company include The Companies Act 2006, the AIM Rules for Companies and UK Tax legislation.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the Company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias; and
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the Company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Butt FCA
(Senior Statutory Auditor)
For and on behalf of **Azets Audit Services Limited**
Chartered Accountants and Statutory Auditors
12 King Street
Leeds
LS1 2HL

17th April 2025

Consolidated income statement

For the year ended 31st December 2024

	Note	2024 £'000	2023 £'000
Revenue	3	**48,947**	48,155
Changes in inventories of finished goods and work in progress		**1,718**	(426)
Raw materials and consumables used		**(27,292)**	(25,188)
Employee benefits costs	6	**(11,956)**	(11,009)
Depreciation and amortisation expense		**(1,474)**	(1,678)
Other expenses		**(6,388)**	(6,270)
Other operating income	2	**97**	164
Profit from operations		**3,652**	3,748
Finance expense	4	**(513)**	(485)
Finance income	4	**59**	72
Profit before tax		**3,198**	3,335
Tax expense	5	**(865)**	(999)
Profit for the year		**2,333**	2,336
Profit attributable to:			
Owners of the parent		**2,280**	2,274
Non-controlling interests		**53**	62
		2,333	2,336
Basic and diluted earnings per share	18	**158.37p**	157.88p

All operations are continuing operations.

The notes on pages 33 to 58 form part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31st December 2024

	Note	**2024 £'000**	2023 £'000
Profit for the year		**2,333**	2,336
Items that will not be reclassified subsequently to profit or loss			
Net pension remeasurement gain on post employment benefits	19.3	**6**	19
Items that may be reclassified subsequently to profit or loss			
Foreign exchange gain/(loss) on re-translation of overseas operations		**12**	(505)
Other comprehensive income/(loss) for the year		**18**	(486)
Total comprehensive income for the year		**2,351**	1,850
Total comprehensive income attributable to:			
Owners of the parent		**2,297**	1,775
Non-controlling interests		**54**	75
		2,351	1,850

Consolidated balance sheet

As at 31st December 2024

	Note	2024 £'000	2023 £'000
Assets			
Non-current assets			
Property, plant and equipment	7	**10,377**	10,082
Intangible assets	8	**342**	489
Right of use assets	9	**522**	717
Total non-current assets		**11,241**	11,288
Current assets			
Inventories	10	**14,454**	12,587
Trade and other receivables	11	**7,950**	7,973
Cash and cash equivalents		**2,381**	2,310
Total current assets		**24,785**	22,870
Total assets		**36,026**	34,158
Liabilities			
Current liabilities			
Bank overdraft		**454**	138
Trade and other payables	12	**7,080**	6,991
Other financial liabilities	13	**2,693**	3,769
Corporation tax liability		**90**	52
Total current liabilities		**10,317**	10,950
Non-current liabilities			
Financial liabilities	14	**2,610**	2,325
Deferred income tax liability	15	**99**	44
Total non-current liabilities		**2,709**	2,369
Total liabilities		**13,026**	13,319
Total net assets		**23,000**	20,839
Share capital	16	**360**	360
Capital reserve		**257**	257
Foreign exchange reserve		**238**	221
Retained earnings		**22,250**	20,182
Total equity attributable to the shareholders of the parent		**23,105**	21,020
Non-controlling interests		**(105)**	(181)
Total equity		**23,000**	20,839

The financial statements on pages 28 to 58 were approved and authorised for issue by the board of directors on 17th April 2025 and were signed on its behalf by:

Nicholas Braime, Chairman

Cielo Cartwright, Chief Financial Officer

Company Registration Number 488001

The notes on pages 33 to 58 form part of these financial statements.

Consolidated cash flow statement

For the year ended 31st December 2024

	Note	2024 £'000	2023 £'000
Operating activities			
Net profit		**2,333**	2,336
Adjustments for:			
Depreciation and amortisation	7, 8 & 9	**1,474**	1,678
Foreign exchange gains/(losses)		**118**	(424)
Finance income	4	**(59)**	(72)
Finance expense	4	**513**	485
Gain on sale of land and buildings, plant, machinery and motor vehicles		**(29)**	(80)
Adjustment in respect of defined benefit scheme		**58**	69
Income tax expense	5	**865**	999
Income taxes paid		**(769)**	(1,401)
		2,171	1,254
Operating profit before changes in working capital and provisions		**4,504**	3,590
Decrease in trade and other receivables		**20**	998
(Increase)/decrease in inventories		**(1,867)**	702
Decrease in trade and other payables		**(20)**	(2,053)
		(1,867)	(353)
Cash generated from operations		**2,637**	3,237
Investing activities			
Purchases of property, plant, machinery and motor vehicles		**(1,426)**	(1,421)
Sale of land and buildings, plant, machinery and motor vehicles		**36**	88
Interest received		**7**	22
		(1,383)	(1,311)
Financing activities			
Proceeds from long term borrowings		**–**	977
Repayment of borrowings		**(391)**	(372)
Repayment of lease liabilities		**(383)**	(455)
Bank interest paid		**(433)**	(404)
Lease interest paid		**(80)**	(81)
Dividends paid		**(212)**	(205)
		(1,499)	(540)
(Decrease)/increase in cash and cash equivalents		**(245)**	1,386
Cash and cash equivalents, beginning of period		**2,172**	786
Cash and cash equivalents, end of period	20	**1,927**	2,172

The notes on pages 33 to 58 form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31st December 2024

	Note	Share Capital £'000	Capital Reserve £'000	Foreign Exchange Reserve £'000	Retained Earnings £'000	Total £'000	Non-Controlling Interests £'000	Total Equity £'000
Balance at 1st January 2023		360	257	742	18,091	19,450	(256)	19,194
Comprehensive income								
Profit		–	–	–	2,274	2,274	62	2,336
Other comprehensive income								
Net pension remeasurement gain recognised directly in equity	19.3	–	–	–	19	19	–	19
Foreign exchange losses on re-translation of overseas subsidiaries consolidated operations		–	–	(521)	3	(518)	13	(505)
Total other comprehensive income		–	–	(521)	22	(499)	13	(486)
Total comprehensive income		–	–	(521)	2,296	1,775	75	1,850
Transactions with owners								
Dividends	18	–	–	–	(205)	(205)	–	(205)
Total transactions with owners		–	–	–	(205)	(205)	–	(205)
Balance at 1st January 2024		**360**	**257**	**221**	**20,182**	**21,020**	**(181)**	**20,839**
Comprehensive income								
Profit		**–**	**–**	**–**	**2,280**	**2,280**	**53**	**2,333**
Other comprehensive income								
Net pension remeasurement gain recognised directly in equity	19.3	**–**	**–**	**–**	**6**	**6**	**–**	**6**
Foreign exchange gains on re-translation of overseas subsidiaries consolidated operations		**–**	**–**	**17**	**(6)**	**11**	**1**	**12**
Total other comprehensive income		**–**	**–**	**17**	**–**	**17**	**1**	**18**
Total comprehensive income		**–**	**–**	**17**	**2,280**	**2,297**	**54**	**2,351**
Transactions with owners								
Share capital introduced by minority		**–**	**–**	**–**	**–**	**–**	**22**	**22**
Dividends	18	**–**	**–**	**–**	**(212)**	**(212)**	**–**	**(212)**
Total transactions with owners		**–**	**–**	**–**	**(212)**	**(212)**	**22**	**(190)**
Balance at 31st December 2024		**360**	**257**	**238**	**22,250**	**23,105**	**(105)**	**23,000**

The capital reserve arose on the listing of the Company's shares on the London Stock Exchange and the cancellation of the 180,000 5% Cumulative Preference shares at a redemption price of £1.125 per share. The foreign exchange reserve relates to the differences arising on the re-translation of overseas subsidiaries consolidated within the Group financial statements. The retained earnings reserve includes the accumulated profit and losses of the Group.

There was no movement in the share capital of the Company.

Notes to the accounts

For the year ended 31st December 2024

1. ACCOUNTING POLICIES

1.1 General Company information

Braime Group PLC ('the Company') and its subsidiaries (together 'the Group') manufacture metal presswork and through its 4B brand, handle the supply of bulk material handling components through trading from locations in Australia, China, England, France, Indonesia, South Africa, Thailand, the United Arab Emirates and the United States.

The Company is incorporated and domiciled in the UK. The Company's registered number is 488001. The address of its registered office is Hunslet Road, Leeds, LS10 1JZ. The Company is a public limited company and has its primary listing on the AIM division of the London Stock Exchange.

The Group consolidated financial statements were authorised for issue by the board on 17th April 2025.

1.2 Basis of preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the UK (IFRSs as adopted by the UK), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention.

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities including the Group's principal risks and uncertainties. The board also considered the Group's current cash position, the repayment profile of its obligations, its financial covenants and the resilience of its 12 month cash flow forecasts to a series of severe but plausible downside scenarios. Having considered these factors the board is satisfied that the Group has adequate resources to continue in operational existence and therefore it is appropriate to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31st December 2024.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in paragraph 1.3 below entitled critical accounting estimates and assumptions.

The Company has elected to prepare its parent company financial statements in accordance with UK GAAP; these are presented on pages 59 to 67.

1.3 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Areas of judgement

Judgements are made by management in the application its accounting policies which can have a significant effect on the amounts recognised in the financial statements. During the year, management made judgements in the following area:

Capitalisation of property expenditure

The Group is headquartered in a listed building which requires a significant level of ongoing maintenance by the Company. Where expenditure is judged to result in an enhancement of the value of the property, the expenditure is capitalised in line with the Group's depreciation policies. Otherwise expenditure on the property is taken as repair costs which are charged in the year.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Assumptions about the future and critical accounting estimates

Inventory

Inventories are stated at the lower of cost and net realisable value. The Group establishes an impairment provision for inventory estimated to realise a lower value than cost. When calculating the impairment provision, management considers the nature and condition of the inventory as well as applying assumptions around the saleability of stock and its estimated selling value less cost expected to be incurred and sell the item. The directors also consider the purchase history of the inventory items to assess whether the items remain in use.

Cost of work in progress and finished goods

The Group values the work in progress and finished goods inventory at the cost of direct materials and labour plus attributable overheads and certain administrative costs based on normal levels of activity. When calculating overhead absorption rates, management considers the percentage of costs that are directly attributable to bringing inventory to its present location and condition, and estimated wastage based on historical experience and through knowledge of the business.

Notes to the accounts (continued)

For the year ended 31st December 2024

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Critical accounting estimates and assumptions (continued)

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Lease liabilities

Under IFRS16, leases over 12 months are capitalised as "right of use" assets and the present value of future lease payments also recognised as a liability. Management is required to apply an incremental borrowing rate in order to discount the liabilities to their present value. This is the rate that would have to be paid to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic circumstances. The rate is therefore to some extent a judgemental accounting estimate. Management has assessed this borrowing rate as 10% and has calculated that a +/- 5% change in borrowing rate does not materially alter the calculation of the liability.

Retirement benefit obligations

The Group operates a defined benefit pension scheme (note 19). Asset valuations are based on the fair value of the assets. The valuation of the liabilities of the scheme are based on statistical and actuarial calculations, using various assumptions including discount rates, future salary and pension increases, life expectancy of scheme members and cash commutations. The actuarial assumptions may differ materially from actual experience due to changes in economic and market conditions, variations in actual mortality, higher or lower cash withdrawal rates and other changes in factors assessed. Any of these differences could impact the assets or liabilities recognised in the balance sheet in future periods.

1.4 Changes to accounting policy and disclosure

(a) New and amended standards adopted by the Group.

The Group has adopted the following new and amended IFRS's as of 1st January 2024:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current – Clarifies that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period – effective accounting periods beginning on or after 1st January 2024.
- Amendments to IAS 1 – Non-current Liabilities with Covenants – Clarifies that only those covenants with which an entity must comply on or before the end of the reporting period affect the classification of a liability as current or non-current – effective accounting periods beginning on or after 1st January 2024.
- Amendments to IFRS 16 – Lease Liability in a Sales and Leaseback – Specifies requirements relating to measuring the lease liability in a sale and leaseback transaction after the date of the transaction – effective accounting periods beginning on or after 1st January 2024.
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements – Requires an entity to provide additional disclosures about its supplier finance arrangements – effective accounting periods beginning on or after 1st January 2024.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1st January 2024 and not early adopted.

- Amendments to IAS 21 – Lack of Exchangeability - Requires a consistent approach to assessing whether a currency is exchangeable and, when it is not, to determining the exchange rate to use and the disclosures to provide – effective accounting periods beginning on or after 1st January 2025.
- Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments - Clarifies how contractual cash flows on financial assets with environmental, social and governance (ESG) and similar features should be assessed when determining if they are consistent with a basic lending arrangement and, hence, whether they are measured at amortised cost or fair value. Clarifies the date on which a financial asset or financial liability can be derecognised when settlement is via an electronic cash transfer. Requires additional disclosures for certain equity investments and financial investments with contingent features – effective accounting periods beginning on or after 1st January 2026. This has not yet been endorsed.
- Annual Improvements to IFRS Accounting Standards – Volume 11 – Minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7. Statement of Cash Flows – effective accounting periods beginning on or after 1st January 2026.
- IFRS 18 Presentation and Disclosure in Financial Statements - Introduces new requirements for classification of income and expenses in specified categories and presentation of defined subtotals in the statement of profit or loss, enhanced guidance and requirements for more useful aggregation and disaggregation of information in the primary financial statements and in the notes; and additional disclosures about management-defined performance measures related to the statement of profit or loss. Supersedes IAS 1 Presentation of Financial Statements – effective accounting periods beginning on or after 1st January 2027. This has not yet been endorsed.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures - Permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosure requirements in their consolidated, separate or individual financial statements - effective accounting periods beginning on or after 1 January 2027. This has not yet been endorsed.

1.5 Revenue recognition

IFRS 15 'Revenue from Contracts with Customers' establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue recognition is based on the principle that revenue is recognised when control of a good or service transfers to a customer. Where sale of goods occur, revenue is recognised at a point in time when goods are delivered to customers. Revenue streams for both of the Group's income segments are recognised when the Group's performance obligations are fulfilled, that is when control over goods has transferred to the customer. Customers obtain control of the goods when they are delivered to and have been accepted at their premises or made available for ex-works collections, depending on individual customer arrangements. For the Group, the transfer of control under IFRS 15 and satisfaction of performance obligations therefore remains consistent with the transfer of risks and rewards. Revenue represents the fair value of consideration received or receivable for the sale of goods in the ordinary course of the Group's activities, and is stated exclusive of VAT, similar taxes and after eliminating sales within the Group. Payment is typically due within 60 days. Interest receivable on bank deposits and other items such as rentals, insurance proceeds, and receipts to fund capital assets are not classed as revenue but included within finance income and other operating income respectively. The breakdown of revenue from ordinary activities used within the Group to assess the performance is presented, by operating segment, in the segment analysis (see note 3).

1.6 Basis of consolidation

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The consolidated financial statements of Braime Group PLC incorporate the financial statements of the parent company as well as those entities controlled by the Group by full consolidation.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the net assets of the consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Where losses are accumulated, all earnings and losses of the subsidiaries are attributed to the parent and the non-controlling interest in proportion to their ownership.

1.7 Foreign currency

Braime Group PLC consolidated financial statements are presented to the nearest thousand, in sterling (£), which is also the functional currency of the Company.

In the separate financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the month end exchange rates as an approximation to that prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at year-end exchange rates are recognised in the income statement under 'other income' or 'other expenses', respectively.

In the consolidated financial statements, all separate financial statements of subsidiaries originally presented in a currency different from the Group's presentation currency, have been converted into sterling. Assets and liabilities have been translated into sterling at the closing rate at the balance sheet date. Income and expenses have been converted into the Group's presentation currency using average rates of exchange. Any differences arising from this procedure have been charged/(credited) to the currency translation reserve in equity.

Notes to the accounts (continued)

For the year ended 31st December 2024

1. ACCOUNTING POLICIES (CONTINUED)

1.8 Financial assets

The Group considers that its financial assets comprise loans and receivables only. These assets are non-derivative financial assets with fixed or determinable payments, not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables) but also incorporate other types of contractual monetary assets. They are carried at amortised cost less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Financial assets are recognised when the Group enters into a contractual agreement with a third party through an instrument. All interest received is recognised as finance income in the income statement.

1.9 Financial liabilities

The Group's financial liabilities include bank loans and overdrafts, other loans, trade and other payables and finance leasing liabilities and any forward currency contracts. They are included in balance sheet line items 'bank overdraft', 'trade and other payables', 'long-term financial liabilities' and 'other financial liabilities'.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in 'finance cost' in the income statement.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Bank loans are raised for support of long term funding of the Group's operations. They are recognised at fair value, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as money market instruments and bank deposits. For the purposes of the cash flow statement cash and cash equivalents include bank overdrafts.

1.11 Borrowing costs

All borrowing costs are expensed as incurred.

1.12 Pension obligations and short term employee benefits

Pensions to employees are provided through a defined benefit plan as well as a defined contribution plan.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of pension plan remains with the Group, even if the plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long term benefit fund as well as qualifying insurance policies.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The asset or liability recognised in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation (DBO) at the balance sheet date less the fair value of plan assets, together with adjustments for past service costs. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Remeasurement gains and losses are recognised immediately and in full in other comprehensive income. Past service costs are recognised immediately in the consolidated income statement, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

If the Group will not benefit from a scheme surplus in the form of refunds from the plan or reduced future contributions, an adjustment is made in respect of the minimum funding requirement and no asset resulting from the above policy is recognised.

The contribution recognised in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

Short-term employee benefits are recognised for the number of paid leave days (usually holiday entitlement) remaining at the balance sheet date. They are included in current pension and other employee obligations at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

1.13 Right of use assets and lease liabilities

The Group as a lessee

The Group makes the use of leasing arrangements principally for the provision of warehouses and related facilities, office space, IT equipment, fork lift trucks, and motor vehicles. The rental contracts for warehouses and offices are typically negotiated for terms of between 3 and 5 years and some of these have extension terms. Lease terms for office and IT equipment, fork lift trucks and motor vehicles typically have lease terms of between 1 and 6 years without any extension terms. The Group does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Some lease contracts contain both lease and non-lease components. These non-lease components are usually associated with facilities management services at offices and servicing and repair contracts in respect of motor vehicles. The Group has elected to not separate its leases for offices into lease and non-lease components and instead accounts for these contracts as a single lease component. For its other leases, the lease components are split into their lease and non-lease components based on their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability.

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value. This rate is adjusted should the lessee entity have a different risk profile to that of the Group.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The lease liability is reassessed when there is a change in the lease payments. Changes in lease payments arising from a change in the lease term or a change in the assessment of an option to purchase a leased asset. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. These leases relate to items of office equipment such as desks, chairs, and certain IT equipment. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Notes to the accounts (continued)

For the year ended 31st December 2024

1. ACCOUNTING POLICIES (CONTINUED)

1.14 Impairment of non-financial assets

The Group's non-current assets are subject to impairment testing.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced.

Individual assets or cash-generating units with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses are charged pro-rata to the assets in the cash-generating unit. All assets are subsequently re-assessed for indications that an impairment loss previously recognised may no longer exist.

1.15 Research and development

Costs associated with research activities are expensed in the consolidated income statement as they occur.

1.16 Income taxes

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. This applies also to temporary differences associated with shares in subsidiaries if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities where material are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as components of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that are charged or credited directly to equity are charged or credited directly to equity.

1.17 Dividends

Equity dividends are recognised when they become legally payable. In the case of dividends to equity shareholders, they are recognised when paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

1.18 Property, plant and equipment

Property, plant and equipment (other than freehold land) are carried at acquisition cost less subsequent depreciation and impairment losses. No depreciation has been charged in respect of certain land and buildings as the directors have assessed that those assets have residual values equal to or greater than current carrying values.

The useful lives of property, plant and equipment can be summarised as follows

- Land and buildings 25 – 50 years
- Plant, machinery and motor vehicles 3 – 5 years

1.19 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are recognised if, and only if:

a) It is probable that the expected future economic benefits that are attributable to the asset will flow to the Group; and

b) the cost of the asset can be measured reliably.

The cost of an acquired intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use. After initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses, if any.

Intangible assets are amortised on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. The estimated useful lives, residual values, and amortisation methods are reviewed at each year end, and any changes in estimates are accounted for prospectively.

- Patents and trademarks 2 – 20 years
- Software and intellectual property 3 – 5 years
- Development expenditures 2 – 5 years
- Customer relationships and distribution rights 5 – 29 years

1.20 Inventories

Inventories comprise raw materials, supplies and purchased goods. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Financing costs are not taken into consideration. At the balance sheet date, inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

1.21 Government grants

Government grants received on capital expenditure are generally deducted in arriving at the carrying amount of the asset purchased. Grants for revenue expenditure are netted against the cost incurred by the Group.

Where retention of a government grant is dependent on the Group satisfying certain criteria, it is initially recognised as deferred income. When the criteria for retention has been satisfied, the deferred income balance is released to the consolidated income statement or netted against the asset purchased as appropriate.

1.22 Other provisions, contingent liabilities and contingent assets

Other provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long term provisions are discounted to their present values, where time value of money is material.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the consolidated balance sheet. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

Notes to the accounts (continued)

For the year ended 31st December 2024

2. PROFIT FROM OPERATIONS

	Note	2024 £'000	2023 £'000
Profit from operations has been arrived at after charging/(crediting):			
Depreciation and amortisation	7, 8 & 9	**1,474**	1,678
Foreign exchange differences – losses		**247**	318
Research and development costs		**159**	171
Write-down of inventory to net realisable value	10	**290**	195
Inventory recognised as an expense		**25,283**	25,417
Impairment/(write back of) of trade receivables	11	**36**	(25)
Fees payable to the Company's auditor:			
• for the audit of the Company's annual accounts		**32**	27
• the audit of the Company's subsidiaries, pursuant to legislation		**99**	71
Fees payable to overseas auditors		**20**	21
Profit on disposal of fixed assets		**(29)**	(80)
Other operating income		**(68)**	(84)

3. SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business segments, which are based on the Group's management and internal reporting structure as at 31st December 2024.

The chief operating decision-maker has been identified as the board of directors ('the board'). The board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports and on the internal reporting structure.

The board assesses performance based on a measure of earnings before tax. Other information provided to the board is measured in a manner consistent with that in the financial statements. Total segment assets exclude assets and liabilities that are managed on a central basis. These balances are part of the reconciliation to the total balance sheet assets and liabilities. Inter-segment pricing is determined on an arms-length basis.

The Group comprises the following segments: the manufacture of metal presswork, and the 4B division, supplier of bulk material handling components.

	Central 2024 £'000	Presswork Manufacturing 2024 £'000	4B 2024 £'000	Total 2024 £'000
Revenue				
External	**–**	**5,227**	**43,720**	**48,947**
Inter Company	**2,681**	**4,640**	**8,489**	**15,810**
Total	**2,681**	**9,867**	**52,209**	**64,757**
Profit				
EBITDA*	**346**	**702**	**4,078**	**5,126**
Finance costs	**(291)**	**(92)**	**(130)**	**(513)**
Finance income	**–**	**52**	**7**	**59**
Depreciation and amortisation	**(670)**	**(31)**	**(773)**	**(1,474)**
Tax expense	**(1)**	**–**	**(864)**	**(865)**
(Loss)/profit for the period	**(616)**	**631**	**2,318**	**2,333**
Assets				
Total assets	**8,035**	**10,993**	**16,998**	**36,026**
Additions to non current assets	**1,018**	**43**	**478**	**1,539**
Liabilities				
Total liabilities	**1,860**	**2,729**	**8,437**	**13,026**

*EBITDA is Profit from operations, excluding depreciation and amortisation expense.

	Central 2023 £'000	Presswork Manufacturing 2023 £'000	4B 2023 £'000	Total 2023 £'000
Revenue				
External	–	5,710	42,445	48,155
Inter Company	2,567	4,747	7,819	15,133
Total	2,567	10,457	50,264	63,288
Profit				
EBITDA	490	692	4,244	5,426
Finance costs	(255)	(94)	(136)	(485)
Finance income	–	50	22	72
Depreciation and amortisation	(720)	(35)	(923)	(1,678)
Tax expense	(46)	–	(953)	(999)
(Loss)/profit for the period	(531)	613	2,254	2,336
Assets				
Total assets	7,739	10,664	15,755	34,158
Additions to non current assets	1,319	40	879	2,238
Liabilities				
Total liabilities	2,337	3,000	7,982	13,319

Geographical analysis

The Group is domiciled in the UK. Analysis of revenues from external customers by continent is provided below:

	Revenue 2024 £'000	**Non-current assets 2024 £'000**	Revenue 2023 £'000	Non-current assets 2023 £'000
UK	**9,189**	**7,098**	9,338	6,910
Rest of Europe and the Middle East	**8,835**	**1,919**	8,704	2,174
Americas	**22,850**	**1,754**	23,075	1,643
Africa	**2,211**	**166**	1,897	112
Australia and Asia	**5,862**	**304**	5,141	449
	48,947	**11,241**	48,155	11,288

No one customer accounted for more than 10% of the Group's revenues (2023: One customer accounted for 10.5% of the Group's revenues).

4. FINANCE INCOME AND EXPENSE

	2024 £'000	2023 £'000
Finance expense		
Bank borrowings	**433**	404
Lease interest	**80**	81
	513	485
Finance income		
Other interest received	**59**	72
	59	72

Notes to the accounts (continued)

For the year ended 31st December 2024

5. TAX EXPENSE

	2024 £'000	2023 £'000
Current tax expense		
UK corporation tax		
UK tax expense on profits for the year	**554**	658
Double tax relief	**(554)**	(658)
	–	–
Foreign corporation tax		
Foreign tax expense on profits for the year	**946**	1,069
Prior year adjustment	**(136)**	(22)
	810	1,047
Current tax charge	**810**	1,047
Deferred tax		
Origination and reversal of timing differences	**67**	(60)
Adjustments in respect of prior periods	**(12)**	25
Adjustments in respect of rate differences	**–**	(13)
Total tax charge	**865**	999

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2024 £'000	2023 £'000
Profit before tax	**3,198**	3,335
Expected tax charge based on the standard rate of corporation tax in the UK of 25% (2023 – 23.52%)	**800**	784
Expenses not deductible for tax purposes	**29**	10
Fixed asset differences	**4**	–
Items charged to reserves regarding post employment benefits	**2**	4
Rate difference on foreign tax	**145**	259
Deferred tax not provided	**24**	(48)
Deferred tax – prior year	**(12)**	25
Prior year items	**(136)**	(22)
Rate differences relating to deferred tax	**9**	(13)
	865	999

Other than as shown in note 15, no deferred tax asset arising on tax losses or other short term timing differences has been recognised as their future realisation is relatively uncertain. The amounts not recognised are estimated at £58,000 and £38,000 respectively (2023 – £25,000 and £19,000 respectively) calculated at a rate of 25% (2023 – 25%).

6. EMPLOYEES

The average number of employees of the Group during the year was made up as follows:

	2024 No.	2023 No.
Office and management	**59**	59
Sales and distribution	**61**	59
Manufacturing	**84**	83
	204	201

Staff costs (including directors) comprise:

	Note	2024 £'000	2023 £'000
Wages and salaries		**10,357**	9,867
Employee retention grant		**–**	(337)
Defined contribution pension cost		**386**	285
Defined benefit pension cost	19.3	**118**	121
Other long-term employee benefits		**65**	71
Employer's national insurance contributions and similar taxes		**1,030**	1,002
		11,956	11,009

The 2023 Employee retention grant related to US government assistance with regards to the Covid pandemic.

	2024 £'000	2023 £'000
Directors' remuneration:		
Emoluments of qualifying services	**867**	795
Company pension contributions to money purchase schemes	**70**	62
	937	857

The number of directors for whom retirement benefits accrued under money purchase pension schemes amounted to 3 (2023 – 3) and under defined benefit pension schemes amounted to nil (2023 – nil). Further details of directors' remuneration are included in the remuneration report.

Notes to the accounts (continued)

For the year ended 31st December 2024

7. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £'000	Plant, machinery and motor vehicles £'000	Total £'000
At 31st December 2024			
Cost	**8,815**	**15,123**	**23,938**
Accumulated depreciation	**(605)**	**(12,956)**	**(13,561)**
Net book value	**8,210**	**2,167**	**10,377**
At 31st December 2023			
Cost	8,172	14,511	22,683
Accumulated depreciation	(438)	(12,163)	(12,601)
Net book value	7,734	2,348	10,082
Year ended 31st December 2024			
Opening net book value	**7,734**	**2,348**	**10,082**
Additions	**736**	**690**	**1,426**
Disposals	**–**	**(7)**	**(7)**
Depreciation	**(177)**	**(862)**	**(1,039)**
Exchange differences	**(83)**	**(2)**	**(85)**
Closing net book value	**8,210**	**2,167**	**10,377**
Year ended 31st December 2023			
Opening net book value	7,170	2,612	9,782
Additions	775	860	1,635
Disposals	–	(7)	(7)
Depreciation	(167)	(1,078)	(1,245)
Exchange differences	(44)	(39)	(83)
Closing net book value	7,734	2,348	10,082

The net book value of tangible fixed assets includes an amount of £139,000 (2023 – £278,000) in respect of assets held under hire purchase contracts. The related depreciation charge on these assets for the year was £114,000 (2023 – £195,000). There were no additions during the year (2023 – £235,000) of assets held under hire purchase contracts.

Assets in the course of construction which have not been depreciated total £223,000 (2023 – £421,000).

The total cost of non-depreciable assets included in freehold land and buildings was £3,500,000 (2023 – £3,158,000).

8. INTANGIBLE ASSETS

	Goodwill and software £'000	Distribution rights £'000	Total £'000
At 31st December 2024			
Cost	**147**	**725**	**872**
Accumulated amortisation	**(131)**	**(399)**	**(530)**
Net book value	**16**	**326**	**342**
At 31st December 2023			
Cost	151	725	876
Accumulated amortisation	(133)	(254)	(387)
Net book value	18	471	489
Year ended 31st December 2024			
Opening net book value	**18**	**471**	**489**
Additions	**–**	**–**	**–**
Amortisation	**(1)**	**(145)**	**(146)**
Exchange differences	**(1)**	**–**	**(1)**
Closing net book value	**16**	**326**	**342**
Year ended 31st December 2023			
Opening net book value	20	616	636
Additions	–	–	–
Amortisation	(1)	(145)	(146)
Exchange differences	(1)	–	(1)
Closing net book value	18	471	489

Notes to the accounts (continued)

For the year ended 31st December 2024

9. RIGHT OF USE ASSETS

	Buildings £'000	Equipment £'000	Vehicles £'000	Total £'000
At 31st December 2024				
Cost	**592**	**44**	**442**	**1,078**
Accumulated depreciation	**(308)**	**(19)**	**(229)**	**(556)**
Net book value	**284**	**25**	**213**	**522**
At 31st December 2023				
Cost	550	67	515	1,132
Accumulated depreciation	(149)	(41)	(225)	(415)
Net book value	401	26	290	717

	Buildings £'000	Equipment £'000	Vehicles £'000	Total £'000
Year ended 31st December 2024				
Opening net book value	**401**	**26**	**290**	**717**
Additions	**56**	**14**	**43**	**113**
Depreciation	**(162)**	**(14)**	**(113)**	**(289)**
Exchange differences	**(11)**	**(1)**	**(7)**	**(19)**
Closing net book value	**284**	**25**	**213**	**522**
Year ended 31st December 2023				
Opening net book value	143	67	215	425
Additions	414	–	189	603
Depreciation	(138)	(38)	(111)	(287)
Exchange differences	(18)	(3)	(3)	(24)
Closing net book value	401	26	290	717

Buildings include warehouses and office leases. Equipment include sundry IT and broadband fibre leases. Vehicles include fork lift trucks and motor vehicles. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the Group accounts as a right-of-use (RoU) asset and a lease liability (see note 14b).

10. INVENTORIES

	2024 £'000	2023 £'000
Raw materials	**646**	696
Work in progress	**268**	211
Finished goods	**12,739**	11,078
Goods in transit	**801**	602
	14,454	12,587

During the twelve months ended 31st December 2024 the Group increased charges against finished goods inventories of £290,000 (2023 – £195,000) following reassessment of the saleability of certain stock items (note 2).

11. TRADE AND OTHER RECEIVABLES

	2024 £'000	2023 £'000
Trade receivables	**7,000**	6,923
Other receivables	**490**	528
Prepayments	**460**	522
	7,950	7,973

Where possible credit insurance is obtained and sales to customers kept within agreed credit limits. All outstanding balances over 90 days are fully provided for. In general, the risk in relation to customer default is low given the profile of the customer base. The total bad debt impairment cost in the year in relation to trade receivables was £36,000 representing 0.5% of trade receivables (2023: write-back of £25,000). At the year end the ageing profile of the Group trade receivables expressed as a percentage was as follows: current – 88%, 30 days – 10%, 60 days – 1%, and 90 days and over – 1% (2023 – 87%,6%, 4%,3% respectively).

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Included in other receivables is £207,000 (2023 – £211,000) of corporation tax repayable and £191,000 (2023 – £212,000) in relation to a VAT claim.

12. TRADE AND OTHER PAYABLES – CURRENT

	2024 £'000	2023 £'000
Trade payables	**5,016**	4,850
Other taxes and social security costs	**296**	298
Other payables	**110**	100
Accruals	**1,657**	1,743
	7,079	6,991

13. OTHER FINANCIAL LIABILITIES – CURRENT

	Note	2024 £'000	2023 £'000
Bank loans – secured	14a	**339**	1,267
Lease liabilities	14b	**328**	375
Other creditors		**2,026**	2,127
		2,693	3,769

An analysis of the interest rate payable on financial liabilities and information about fair values is given in note 17. Other creditors comprise of an invoice discounting facility which has been secured by a fixed and floating charge over certain assets of certain Group companies.

14. FINANCIAL LIABILITIES – NON-CURRENT

	Note	2024 £'000	2023 £'000
Bank loans – secured	14a	**2,155**	1,618
Lease liabilities	14b	**403**	646
Other creditors (non-current)		**52**	61
		2,610	2,325

Notes to the accounts (continued)

For the year ended 31st December 2024

14. FINANCIAL LIABILITIES – NON-CURRENT (CONTINUED)

14a. Obligations under bank loan agreements comprise amounts payable as follows:

	2024 £'000	2023 £'000
Within one year	**339**	1,267
One to two years	**357**	271
Two to five years	**1,242**	657
Over five years	**556**	690
	2,494	2,885

Terms and conditions of outstanding loans were as follows:

	Interest rate %	Year of maturity	**2024 £'000**	2023 £'000
GBP term loan	**2.50% over Bank of England base rate**	2029	**924**	978
GBP term loan	**2.50% over Bank of England base rate**	2027	**520**	678
US dollar term loan	**3.74% fixed**	2024	**–**	29
EUR term loan	**1.31% fixed**	2034	**1,050**	1,200

The 2029 GBP term loan relates to the chain cell project. This was initially a development loan taken out in 2023 and later converted to a five-year term loan in February 2024. The GBP term loan relates to the construction of the Hunslet Road warehouse. The GBP term loans are secured by fixed and floating charges over certain assets of certain Group companies. The EUR term loan relates to the French warehouse and is secured against the property.

14b. Lease liabilities:

Minimum lease payment commitments in respect of RoU assets and assets on hire purchase contracts at the year end were as follows:-

	Lease Payments £'000	**Finance Charges £'000**	**Net Present Value £'000**
Less than one year	**383**	**(55)**	**328**
One to two years	**264**	**(27)**	**237**
Two to five years	**177**	**(11)**	**166**
	824	**(93)**	**731**

At 31st December 2023 the minimum lease payment commitments in respect of RoU assets and assets on hire purchase contracts were as follows:-

	£'000	£'000	£'000
Less than one year	454	(79)	375
One to two years	380	(46)	334
Two to five years	334	(22)	312
	1,168	(147)	1,021

The lease liabilities on RoU assets are calculated from the present values of the lease rentals based on the Group's estimated borrowing rate of 10%. A change of +/- 5% to the implied discount rate does not result in a material change to the estimates. Finance charges on hire-purchase contracts are based on the payment terms specified in the agreement over the period of the hire.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure right-of-use assets and incur maintenance fees on such items in accordance with the lease contracts.

At 31st December 2024, the Group had 28 leased RoU assets by category as follows: Buildings: 6, Equipment: 5, and Vehicles: 17. The average remaining lease commitments were: Buildings: 2.2 years, Equipment: 2.2 years, and Vehicles: 2.0 years respectively.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

The total cash outflow for leases for the year ended 31st December 2024 was £463,000 (2023 – £536,000).

At 31st December 2024 the Group had not committed to any new leases that had yet to commence.

15. DEFERRED INCOME TAX LIABILITY

Deferred tax liability at 31st December 2024 comprised of the following:-

	Accelerated Capital Allowances £'000	**Losses £'000**	**Roll Over Capital Gains £'000**	**Total £'000**
Balance at 1st January	**186**	**(209)**	**67**	**44**
Charge to income statement during the year	**53**	**3**	**(1)**	**55**
Balance at 31st December	**239**	**(206)**	**66**	**99**

Deferred tax liability at 31st December 2023 comprised of the following:-

	Accelerated Capital Allowances £'000	Losses £'000	Roll Over Capital Gains £'000	Total £'000
Balance at 1st January	195	(171)	68	92
Credit to income statement during the year	(9)	(38)	(1)	(48)
Balance at 31st December	186	(209)	67	44

Deferred tax has been recognised at a blended rate of 29% (2023 – 29%) on accelerated capital allowances in 4B Elevator Components Limited and 25% (2023 – 25%) in respect of the Company, 4B Braime Components Limited and Braime Pressings Limited.

16. SHARE CAPITAL

	2024 £'000	2023 £'000
Authorised:		
480,000 Ordinary shares of 25p each	**120**	120
1,200,000 'A' Ordinary shares of 25p each	**300**	300
	420	420
Allotted, called up and fully paid:		
480,000 Ordinary shares of 25p each	**120**	120
960,000 'A' Ordinary shares of 25p each	**240**	240
	360	360

The 'A' Ordinary shares rank pari passu in all respects with Ordinary shares except that the holders of 'A' Ordinary shares are not entitled to vote at general meetings. Holders of Ordinary shares are entitled to one vote for every four shares held.

Notes to the accounts (continued)

For the year ended 31st December 2024

17. FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk.

The Group holds financial instruments in order to finance its operations and to manage the interest rate and currency risks arising from those operations.

All financial assets and liabilities are initially measured at transaction price (including transaction costs). If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other receivables net of impairment losses, cash and bank balances, trade and other payables are subsequently measured at the amortised cost equivalent to the undiscounted amount of cash or other consideration expected to be paid or received.

Bank loans are initially measured at the present value of future payment, discounted at a market rate of interest and subsequently measured at amortised cost using the effective interest method.

There is no formal policy for matching foreign currency cash flows, or matching exposure to foreign currency net assets or liabilities although a careful watch is kept on the positions. The Group's currency exposure at the year end was £25,000 (2023 – £3,240,000). This has reduced considerably from prior year due to the timing of a large sterling liability in the USD entity at the year end which has hedged the Group's large USD assets.

The Group's policy is to ensure a balance of financial instruments to meet its operating requirements. This has been achieved during the period. Unutilised committed borrowing facilities have been maintained in order to provide flexibility in the management of liquidity.

Fair values

There is no material difference between the carrying value and the fair value of the Group's financial assets and liabilities. Financial instruments carried at fair value are required to be measured by reference to the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to one fair value measurement. The only instruments entered into by the Group are included in level 2 and consist of fixed interest term loans.

Forward contracts

There were no forward currency contracts outstanding at 31st December 2024 (31st December 2023 – £nil).

Fixed interest term loans

Fixed interest term loans as at 31st December 2024 were euro bank term loans of £1,050,000 (2023 – euro bank term loans of £1,200,000 and US dollar term bank loans of £29,000) (see note 14a).

Maturity analysis

Other than is disclosed in note 14 regarding bank loans and lease liabilities all financial instruments fall due within one year.

In addition to the maturity analysis disclosed in note 14, the interest due on bank loans repayable within one year totals £117,000 (2023 – £65,000), the interest due on bank loans repayable after one year but not more than five years totals £273,000 (2023 – £102,000), and the interest due on bank loans repayable after more than five years totals £21,000 (2023 – £30,000).

Interest due on lease liabilities are shown in note 14b.

Interest rate and currency of financial assets and liabilities

The currency and interest rate profile of the Group's interest bearing financial assets is shown below:

	Floating rate financial assets £'000	**Fixed rate financial assets £'000**	**Financial assets Total £'000**
Currency			
As at 31st December 2024			
Sterling	**(716)**	**–**	**(716)**
Euro	**360**	**–**	**360**
US dollar	**1,214**	**–**	**1,214**
Other	**1,386**	**137**	**1,523**
	2,244	**137**	**2,381**

Negative sterling floating rate financial assets relate to bank overdrafts available for offset against credit currency balances where a legal right of set-off exists.

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Financial assets Total £'000
Currency			
As at 31st December 2023			
Sterling	(1,489)	–	(1,489)
Euro	534	–	534
US dollar	1,939	–	1,939
Other	1,189	137	1,326
	2,173	137	2,310

The currency and interest rate profile of the Group's interest bearing financial liabilities is shown below:

	Floating rate financial liabilities £'000	**Fixed rate financial liabilities £'000**	**Financial liabilities Total £'000**
Currency			
As at 31st December 2024			
Sterling	**(3,774)**	**(246)**	**(4,020)**
Euro	**(151)**	**(1,189)**	**(1,340)**
US dollar	**–**	**(11)**	**(11)**
Other	**–**	**(333)**	**(333)**
	(3,925)	**(1,779)**	**(5,704)**

	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities Total £'000
Currency			
As at 31st December 2023			
Sterling	(3,692)	(360)	(4,052)
Euro	(229)	(1,396)	(1,625)
US dollar	–	(35)	(35)
Other	–	(459)	(459)
	(3,921)	(2,250)	(6,171)

Notes to the accounts (continued)

For the year ended 31st December 2024

17. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate and currency of financial assets and liabilities

Floating rate financial liabilities comprise bank borrowings and lease assets.

Currency exposure

The Group operates in a number of currencies and the monetary assets and liabilities of the Group that are not denominated in the functional currency of the operating unit concerned are shown below.

Non interest bearing financial assets/(liabilities)

	Sterling £'000	**Euro £'000**	**US dollar £'000**	**Other currencies £'000**	**Total £'000**
Functional currency					
As at 31st December 2024					
Sterling	**–**	**600**	**(2,762)**	**2,438**	**276**
Euro	**–**	**–**	**–**	**–**	**–**
US dollar	**(1,158)**	**(25)**	**–**	**–**	**(1,183)**
Other	**(506)**	**–**	**(147)**	**(4)**	**(657)**
	(1,664)	**575**	**(2,909)**	**2,434**	**(1,564)**

	Sterling £'000	Euro £'000	US dollar £'000	Other currencies £'000	Total £'000
Functional currency					
As at 31st December 2023					
Sterling	–	1,076	(1,304)	3,174	2,946
Euro	–	–	–	–	–
US dollar	(877)	(136)	–	–	(1,013)
Other	(509)	–	(67)	–	(576)
	(1,386)	940	(1,371)	3,174	1,357

Risk sensitivity

Interest rate sensitivity

Based on the year end balance of floating rate assets and liabilities, a change in interest rates of 1% in the monetary assets and liabilities mentioned above invested or borrowed will not affect the income statement by a figure greater or less than £17,000 (2023 – £18,000).

Currency rate sensitivity

A weakening in the value of sterling by 10% will benefit the operating profit by a figure not exceeding £3,000 (2023 – £360,000). A strengthening of sterling by 10% will reduce the operating profit by a figure not greater than £3,000 (2023 - £295,000). The change is due to a better hedged mix of foreign assets and liabilities.

These amounts are estimates. Actual results in the future may differ materially from these due to development in the global financial markets which may cause fluctuations in interest and exchange rates to vary. The amounts stated above should not be considered a projection of likely future events and losses.

Borrowing facilities

The Group has the following undrawn committed borrowing facilities:

	2024 £'000	2023 £'000
Expiring in one year or less	**3,051**	3,390

These facilities are for the purposes of working capital flexibility and are reviewed annually.

Group bank loans and overdrafts and invoice discounting facilities have been secured by a fixed and floating charge over certain assets of certain Group companies.

Foreign currency risk

Foreign exchange risk arises because the Group has operations located in various parts of the world whose functional currency is not the same as the Group's primary functional currency (sterling). Although its global market penetration arguably reduces the Group's risk in that it has diversified into several markets, the net assets from such overseas operations are exposed to currency risk giving rise to gains or losses on re-translation into sterling. Only in exceptional circumstances will the Group consider hedging its net investments in overseas operations as generally it does not consider that the cash flow risk created from such hedging techniques warrants the reduction in volatility in consolidated net assets.

Foreign exchange risk also arises when individual Group operations enter into transactions denominated in a currency other than their functional currency. It is Group policy that all such transactions should be hedged locally by entering into forward contracts with Group treasury. Where it is considered that the risk to the Group is significant, Group treasury will assess the costs of entering into a matching forward contract with a reputable bank.

It is Group policy that transactions between Group entities are generally denominated in the selling entity's functional currency thereby giving rise to foreign exchange risk in the income statement of both the purchasing entity and the Group. The exception to this are charges made by the UK, since it is deemed to control treasury risks. Although the selling entity might hedge this exposure with Group treasury, no external hedge is entered into at Group level as there is no exposure to consolidated net assets from intra-Group transactions.

Liquidity risk

The liquidity risk of each Group entity is managed centrally by the Group treasury function. Each operation has a facility with Group treasury, the amount of the facility being based on budgets. The budgets are set locally and agreed by the board annually in advance, enabling the Group's cash requirements to be anticipated. Where facilities of Group entities need to be increased, approval must be sought from the Chief Financial Officer. Where the amount of the facility is above a certain level agreement of the board is needed.

All surplus cash is managed centrally to maximise the returns on deposits through economics of scale. The type of cash instrument used and its maturity date will depend on the Group's forecast cash requirements. The Group maintains a draw down facility with a major banking corporation to manage any unexpected short-term cash shortfalls.

Interest rate risk

The Group finances its operations through a mixture of retained profit, bank borrowings and finance lease arrangements. The Group generally borrows at floating rates but some borrowing arrangements provide fixed interest payments for a proportion of its debt over a specified period. This enables the Group to forecast borrowing costs with a degree of certainty.

Credit risk

The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to insure sales when insurance cover is available. Quantitative disclosures have been made in note 11. The Group does not enter into complex derivatives to manage credit risk.

Capital risk

The Group's objective when maintaining capital, being the share capital and capital reserves, is to safeguard the Group's ability to continue as a going concern so that it is able to provide returns for shareholders and benefits for other stakeholders.

Notes to the accounts (continued)

For the year ended 31st December 2024

18. EARNINGS PER SHARE AND DIVIDENDS

Both the basic and diluted earnings per share have been calculated using the net results attributable to shareholders of Braime Group PLC as the numerator. The figure for 2023 has been restated to exclude results attributable to minority interests.

The weighted average number of outstanding shares used for basic earnings per share amounted to 1,440,000 shares (2023 – 1,440,000). There are no potentially dilutive shares in issue.

Dividends paid

	2024 £'000	2023 £'000
Equity shares		
Ordinary shares		
Interim of 9.50p (2023 – 9.00p) per share paid on 24th May 2024	**46**	43
Interim of 5.25p (2023 – 5.25p) per share paid on 11th October 2024	**25**	25
	71	68
'A' Ordinary shares		
Interim of 9.50p (2023 – 9.00p) per share paid on 24th May 2024	**91**	87
Interim of 5.25p (2023 – 5.25p) per share paid on 11th October 2024	**50**	50
	141	137
Total dividends paid	**212**	205

An interim dividend of 10.00p per Ordinary and 'A' Ordinary share will be paid on 23rd May 2025.

19. PENSION COSTS

19.1 Scheme summary

The Group operates a number of defined contribution schemes, the cost of which are disclosed in note 6. Additionally the Group operates a funded defined benefit pension scheme, the Braime Pressings Limited Retirement Benefits Scheme (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death on behalf of certain companies in the Group. The Scheme is closed to new members. The assets of the Scheme are held separately from those of the Group, being predominantly invested with an insurance company. The Scheme is funded to cover future pension liabilities. The following disclosures refer only to the Scheme.

The Scheme is managed by a board of trustees appointed in part by the Group and part from elections by members of the Scheme. The trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The trustees delegate some of these functions to their professional advisers where appropriate.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Group must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective, and contributions to pay for future accrual of benefits. A qualified actuary determines the contributions payable to the Scheme. The most recent actuarial valuation was conducted at 6th April 2022. The market value of Scheme assets at 6th April 2022 was £8,655,000. The funding level at 6th April 2022 was 110% on an ongoing basis. The Statutory Funding Objective does not currently impact on the recognition of the Scheme in these accounts.

The next valuation of the scheme is due as at 6th April 2025. In the event that the actuarial valuation reveals a larger deficit than expected, the Company may be required to increase contributions above those set out in the existing schedule of contributions. Conversely, if the position is better than expected contributions may be reduced.

Based on the existing valuation, the Group expects to pay contributions of around £62,000 during the year to 31st December 2025. The weighted average duration of the defined benefit obligation is approximately 12 years.

In July 2024 the Court of Appeal upheld a June 2023 High Court ruling that may have consequences for defined benefit pension schemes. The case, brought by the trustees of the NTL Pension Scheme against Virgin Media Ltd, considered the implications of section 37 (s37) of the Pension Schemes Act 1993, which required an actuary to certify amendments to scheme benefits for contracted-out schemes. Under section 9(2B) of the Act, schemes that were contracted out of the additional state pension were required to provide benefits at least equivalent to a minimum level laid out in a hypothetical "reference scheme". This was known as the reference scheme test. When amendments were subsequently made, s37 of the Act required scheme actuaries to certify that the scheme still met this standard.

According to the court's decision, any amendments to scheme benefits that affect members' section 9(2B) rights during the relevant period will be void unless confirmation from the scheme actuary was obtained, in writing, when the amendment was made. The ruling may affect schemes that were contracted out of the additional state pension at any point between April 1997 and April 2016, when contracting out was abolished.

The Scheme was contracted out between April 1997 and April 2016, and therefore the ruling may affect the Scheme. However, the position remains uncertain. For example, the DWP may consider retrospective action to remove the impact of the ruling, and another Court case is due in 2025 which may have implications on the impact of the Virgin Media ruling. Given this uncertainty, it is not yet possible to quantify the potential impact of this ruling on the Scheme or on the Defined Benefit Obligation.

19.2 Risks

The cost of the Scheme to the Group depend upon a number of assumptions about future events. Future contributions may be higher (or lower) than those currently agreed if the assumptions are not borne out in practice or if different assumptions are agreed in the future.

- Investment risk. The Scheme holds investments in asset classes such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term the short-term volatility can cause additional funding to be required if a deficit emerges.
- Interest rate risk. The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities and annuity policies the value of the assets and liabilities may not move in the same way.
- Inflation risk. A significant proportion of the benefits under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide some hedging against inflation over the long-term, movements over the short-term could lead to deficits emerging.
- Mortality risk. In the event that members live longer than assumed a deficit will emerge in the Scheme.

19.3 Reconciliation of defined benefit obligation and fair value of scheme assets

	Defined benefit obligation		**Fair value of scheme assets**		**Net defined scheme liability**	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Balance at 1st January	**6,421**	6,081	**(6,421)**	(6,081)	**–**	–
Service cost – current	**40**	36	**–**	–	**40**	36
Administration costs	**–**	–	**78**	85	**78**	85
IInterest cost/(income)	**286**	292	**(338)**	(342)	**(52)**	(50)
Included in comprehensive income – profit or loss	**326**	328	**(260)**	(257)	**66**	71
Effect of asset ceiling	**–**	–	**404**	101	**404**	101
Remeasurement loss/(gain)						
a) Actuarial loss/(gain) from:						
– Financial assumptions	**(578)**	222	**–**	–	**(578)**	222
– Demographic assumption	**(154)**	–	**–**	–	**(154)**	–
– Adjustments (experience)	**35**	43	**–**	–	**35**	43
b) Return on plan asset (excluding interest)	**–**	–	**287**	(385)	**287**	(385)
Included in other comprehensive income	**(697)**	265	**287**	(385)	**(410)**	(120)
Employers contributions	**–**	–	**(60)**	(52)	**(60)**	(52)
Employees contributions	**9**	8	**(9)**	(8)	**–**	–
Benefits paid	**(270)**	(261)	**270**	261	**–**	–
Other movements	**(261)**	(253)	**201**	201	**(60)**	(52)
Balance at 31st December	**5,789**	6,421	**(5,789)**	(6,421)	**–**	–
Net remeasurement gain taken to other comprehensive income	**(687)**	(265)	**691**	284	**(6)**	19

Notes to the accounts (continued)

For the year ended 31st December 2024

19. PENSION COSTS (CONTINUED)

19.3 Reconciliation of defined benefit obligation and fair value of scheme assets (continued)

The asset ceiling arises as based on the assumptions adopted there is a net pension scheme asset of £1,541,000 at 31st December 2024 but as Braime Pressings Limited does not have an unconditional right to any surplus of the scheme, the surplus of £1,541,000 has not been recognised in the Group balance sheet and therefore assets have been reduced by £1,541,000 to £5,789,000 so as to equal scheme liabilities at that date.

There were no plan amendments, curtailments or settlements during the period. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised within the consolidated statement of comprehensive income. Included in remeasurement losses are the effect of asset ceiling of £404,000 (2023 – £101,000) but the interest effect of asset ceiling are recognised in the profit for the year.

The actual return on assets during the year was a gain of £51,000 (2023 – £727,000).

19.4 Analysis of fair value of plan assets between asset categories

	2024 % of total assets	2023 % of total assets	**2024 £'000**	2023 £'000
Annuity policies in payment	**49.9%**	55.4%	**3,658**	4,187
Equities – quoted – overseas	**29.3%**	23.3%	**2,148**	1,761
Equities – quoted – UK	**4.1%**	3.6%	**300**	272
Cash	**0.7%**	0.6%	**51**	45
With profit deferred annuities	**16.0%**	17.1%	**1,173**	1,293
Asset ceiling	**–**	–	**(1,541)**	(1,137)
Total	**100%**	100%	**5,789**	6,421

The assets do not include any investment in shares of the Company.

19.5 Reconciliation of effect of asset ceiling

	2024 £'000	2023 £'000
Effect of asset ceiling at start	**1,137**	1,036
Interest on effect of asset ceiling	**52**	51
Actuarial losses	**352**	50
Effect of asset ceiling at end	**1,541**	1,137

19.6 Key assumptions and sensitivities

The key actuarial assumptions at balance sheet date are shown below:

	2024	2023
Discount rate	**5.45%**	4.55%
Inflation (RPI)	**3.45%**	3.35%
Salary increases	**3.45%**	3.35%
Pension increase (LP15)	**3.30%**	3.20%
Post retirement mortality	**115% of the S3NA tables with CMI 2023 projections using a long-term improvement rate of 1% pa and 2020 and 2021 weight parameters of 0% and 2022 and 2023 weight parameters of 15%**	115% of the S3NA tables with CMI 2021 projections using a long-term improvement rate of 1% pa and 2020 and 2021 weight parameters of 0%
Commutation	**No allowance has been made for members to take tax free cash**	No allowance has been made for members to take tax free cash
Zurich with-profits deferred annuity policy	**70% future income value, 30% market value**	70% future income value, 30% market value

The impact on the defined benefit obligation to changes in the significant principal assumptions are shown below.

The sensitivities are approximate and only show the likely effect of an assumption being adjusted whilst all other assumptions remain the same. The sensitivity analysis shown has been determined using the same method as per the calculation of liabilities for the balance sheet disclosures, but using assumptions adjusted as detailed below.

	Approximate effect on liability £'000
Adjustments to assumptions	
Discount rate	
Plus 0.50%	70,000
Minus 0.50%	(77,000)
Inflation	
Plus 0.50%	(91,000)
Minus 0.50%	97,000
Salary increase	
Plus 0.50%	(5,000)
Minus 0.50%	5,000
Life expectancy	
Plus 1.0 years	(8,000)
Minus 1.0 years	10,000
% With-profit deferred annuities converted on retirement using guaranteed annuity rates	
Plus 10.00% (i.e. 80%)	83,000
Minus 10.00% (i.e. 60%)	(83,000)

20. NOTES SUPPORTING CONSOLIDATED CASH FLOW STATEMENT

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financial activities.

	At 1st January 2024 £'000	**New loans and leases £'000**	**Exchange differences £'000**	**Other non-cash changes £'000**	**Cashflow £'000**	**At 31st December 2024 £'000**
Cash at bank and in hand	**2,310**	**–**	**–**	**–**	**71**	**2,381**
Bank overdraft	**(138)**	**–**	**–**	**–**	**(316)**	**(454)**
Total Cash	**2,172**	**–**	**–**	**–**	**(245)**	**1,927**
Leases	**(1,021)**	**(113)**	**20**	**(80)**	**463**	**(731)**
Net Cash	**1,151**	**(113)**	**20**	**(80)**	**218**	**1,196**

Decrease in cash in the period	**(245)**
New leases	**(113)**
Lease interest	**(80)**
Exchange differences	**20**
Lease movements	**463**
Net cash at 1st January 2024	**1,151**
Net cash at 31st December 2024	**1,196**

21. CAPITAL COMMITMENTS

At the year end, there were capital commitments of £216,000 (2023 – £226,000) which are contracted but not provided for in these financial statements.

Notes to the accounts (continued)

For the year ended 31st December 2024

22. SUBSIDIARIES

	Subsidiary	Principal activity	Proportion of shares held 2024 and 2023: Ordinary Shares	Preference Shares
i	Registered in and operating from Hunslet Road, Leeds, West Yorkshire, LS10 1JZ, England, UK:			
	Braime Pressings Limited	Manufacture of metal presswork	100%	100%
	4B Braime Components Limited	Distribution of bulk material handling components	100%	–
	T.F. & J.H. Braime (Holdings) P.L.C.	Dormant	100%	–
ii	Registered as above and operating from 625 Erie Avenue, Morton, Illinois 61550, USA:			
	4B Elevator Components Limited	Distribution of bulk material handling components	100%	–
iii	Incorporated in and operating from 35 Bis Rue du 8 Mai 1945, 80800 Villers-Bretonneux, France:			
	4B–France sarl	Distribution of bulk material handling components	100%	–
iv	Incorporated in and operating from 899/1 Moo 20, Soi Chongsiri, Amphur Bangplee, Samutprakarn, 10540, Thailand:			
	4B Asia Pacific Company Limited	Distribution of bulk material handling components	48%	–
v	Incorporated in and operating from 14 Newport Business Park, Mica Drive, Kya Sand, Johannesburg 2163, South Africa:			
	4B Africa Elevator Components (Pty) Limited	Distribution of bulk material handling components	100%	–
vi	Incorporated in and operating from B1/41 Bellrick Street, Acacia Ridge, Queensland, 4110, Australia:			
	4B Australia Pty Limited	Distribution of bulk material handling components	100%	–
vii	Incorporated in and operating from 18 Xinya Road, Wujin State High & New Technology Development Zone, Changzhou, Jiangsu, China:			
	4B Braime (Changzhou) Industrial Control Equipment Company Limited	Distribution of bulk material handling components	100%	–
viii	Incorporated in and operating from Mayapada Tower Lantai 11, Jalan Jenderal Sudirman Kav 28, Kota Admin, Jakarta, Indonesia:			
	PT Braime Components Indonesia	Distribution of bulk material handling components	100%	–

While only 48.5% of the ordinary shares are held in 4B Asia Pacific Company Limited the Company controls 90% of the voting rights. As a consequence no single investor directly controls the investee however, given the operational management that the Company demonstrates, it has the ability to direct the relevant activities and the decision making process such that it has power over the investee.

4B Braime Components Limited operates a branch in Sharjah, UAE. This trades as 4B Middle East.

23. RELATED PARTY TRANSACTIONS

The total remuneration for key management personnel for the year including directors totalled £2,214,000 (2023 – £2,024,000).

There were no other related party transactions during the year.

24. POST BALANCE SHEET EVENT

On 17th January 2025 the Company signed a contract for £1,828,000 to refurbish the main roof of the Group's property headquarters. This development is being funded by a loan from the Company's banker, the terms of which have been provisionally agreed. A further announcement will be made when the bank documentation is signed.

Company balance sheet

For the year ended 31st December 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Intangible assets	3	**–**	–
Tangible fixed assets	4	**9,343**	8,988
Investments	5	**2,491**	1,978
		11,834	10,966
Current assets			
Debtors: due within one year	8	**3,537**	3,625
Cash and cash equivalents		**71**	–
		3,608	3,625
Creditors: amounts falling due within one year			
Amounts owed to Group undertakings	9	**11,822**	9,316
Other creditors falling due within one year	10	**492**	1,943
		12,314	11,259
Net current liabilities		**(8,706)**	(7,634)
Total assets less current liabilities		**3,128**	3,332
Creditors: amounts falling due after more than one year	11	**1,287**	640
Provisions for liabilities	12	**243**	258
		1,598	2,434
Capital and reserves			
Called up share capital	13	**360**	360
Revaluation reserve		**85**	85
Capital redemption reserve		**180**	180
Retained earnings		**973**	1,809
Shareholders' funds		**1,598**	2,434
Company's loss for the financial year		**(624)**	(547)

These financial statements were approved and authorised for issue by the board of directors on 17th April 2025 and signed on its behalf by:

Nicholas Braime, Chairman

Cielo Cartwright, Chief Financial Officer

The notes on pages 61 to 67 form part of these financial statements.

Company statement of changes in equity

For the year ended 31st December 2024

	Called up Share Capital £'000	Revaluation Reserve £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 1st January 2023	360	85	180	2,561	3,186
Comprehensive income for the financial year – loss	–	–	–	(547)	(547)
Dividends paid	–	–	–	(205)	(205)
Balance at 31st December 2023	**360**	**85**	**180**	**1,809**	**2,434**
Comprehensive income for the financial year – loss	**–**	**–**	**–**	**(624)**	**(624)**
Dividends paid	**–**	**–**	**–**	**(212)**	**(212)**
Balance at 31st December 2024	**360**	**85**	**180**	**973**	**1,598**

The revaluation reserve represents the fair value uplift in the Company's freehold property.

The capital redemption reserve represents the nominal value of preference share capital repurchased by the Company.

The retained earnings represent cumulative profit or losses net of dividends and other adjustments. Included within retained earnings is a non-distributable amount of £71,000.

Notes to the Company accounts

For the year ended 31st December 2024

1. COMPANY INFORMATION

Braime Group PLC is a Company limited by shares, incorporated in England & Wales. Its registered office is Hunslet Road, Leeds, LS10 1JZ. The Company is a holding Company. Details of the Group's activities are provided on page 7.

2. ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, as described below.

As a consequence the Company has elected to measure freehold land and buildings leased to other Group companies, previously measured at fair value, under the historical cost convention. The fair value at the date of transition has been used as its deemed cost at this date.

Investment properties fair valued at 31st December 2016 of £4,533,000 have been redesignated as freehold property and the difference between the deemed cost and its historic cost treated as a revaluation reserve. As at 1st January 2016 this resulted in the creation of a revaluation reserve of £85,000, with a corresponding decrease in retained earnings.

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities including the Group's principal risks and uncertainties. The board also considered the Group's current cash position, the repayment profile of its obligations, its financial covenants and the resilience of its 12-month cash flow forecasts to a series of severe but plausible downside scenarios. Having considered these factors the board is satisfied that the Group has adequate resources to continue in operational existence and therefore it is appropriate to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31st December 2024.

The functional currency of the Company is considered to be pounds sterling.

2.2 Financial Reporting Standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- The requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

2.3 Intangible assets

Acquired bespoke software is included at cost and amortised in equal annual instalments over a period of 5 years which is its estimated useful economic life. Provision is made for any impairment.

2.4 Property, plant and equipment

Property, plant and equipment is stated at purchase cost together with any incidental expenses of acquisition, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible assets, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life.

- Land and buildings 25 – 50 years on a straight line basis
- Plant and machinery 4 – 5 years on a straight line basis
- Fixtures and fittings 4 – 5 years on a straight line basis
- Motor vehicles 4 – 5 years on a straight line basis

Residual value represents the estimated amount which would currently be obtained from the disposal of an asset after deducting estimated costs of disposal, if the asset were already at an age and in the condition expected at the end of its estimated useful life.

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the assets against the higher of realisable value and value in use.

The gain or loss arising on the disposal of an asset is determined on the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Notes to the Company accounts (continued)

For the year ended 31st December 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs). If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The following assets and liabilities are classified as basic financial instruments – cash and bank balances, trade creditors, accruals, bank loans and inter-company balances.

Cash and bank balances, trade creditors, accruals and inter-company balances (being repayable on demand) are measured at the amortised cost equivalent to the undiscounted amount of cash or other consideration expected to be paid or received.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interest and subsequently measured at amortised cost using the effective interest method.

2.6 Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit and loss as described below.

Non financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had the impairment loss not been recognised.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities, except where a legal right of set off exists.

2.8 Investments

Investments in subsidiaries are measured at cost less impairment.

2.9 Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date and that give rise to an obligation to pay more tax or a right to pay less tax in the future. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in different periods from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to the reversal of the timing difference. Deferred tax relating to the Company's properties are measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

2.10 Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are reported at the rate of exchange ruling at the balance sheet date. Exchange differences are recognised in the income statement in the period in which they arise.

2.11 Hire purchase and leasing commitments

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the lease asset (or, if lower the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

2.12 Accounting for leases as lessor

Leases are classified as either finance leases or operating leases based on the transfer of risks and rewards of ownership to the lessee. Leases where substantially all the risks and rewards of ownership are transferred to the lessee are classified as finance leases. All other leases are classified as operating leases.

At the inception of a finance lease, the Company recognises the gross investment in the lease as a receivable, which is the present value of the lease payments receivable. Subsequently, the gross investment in the lease is amortised over the lease term using the effective interest method, with the interest element recognised in the income statement.

For operating leases, the Company recognises the leased asset as an asset on its balance sheet and continues to depreciate it in accordance with its depreciation policy for similar assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Lease income is recognised on a straight-line basis over the lease term.

2.13 Other provisions, contingent liabilities and contingent assets

Other provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Company and they can be estimated reliably. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long term provisions are discounted to their present values, where time value of money is material.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the consolidated balance sheet. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less any amortisation.

Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

2.14 Critical accounting judgements and sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements that the directors have made in applying the Company's accounting policies and the key sources of estimation uncertainty that have had the most significant effect on the financial statements are described below:

Carrying value of freehold land and buildings

As described in notes 2.1 and 2.4 to the financial statements the Company's freehold land and buildings are now carried at deemed cost with reference to a previous independent valuation as at 31st December 2015. Having given consideration to current property values, depreciation is charged on all property additions since the last assessed revaluation.

Useful economic lives of plant and machinery

The annual depreciation charge for plant and machinery is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Notes to the Company accounts (continued)

For the year ended 31st December 2024

3. INTANGIBLE ASSETS

	Software £'000
Cost	
At 1st January 2024	**52**
Additions	**–**
At 31st December 2024	**52**
Amortisation	
At 1st January 2024	**52**
Provided for the year	**–**
At 31st December 2024	**52**
Net book value	
At 31st December 2024	**–**
At 31st December 2023	–

4. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1st January 2024	**7,444**	**6,360**	**279**	**2**	**14,085**
Additions	**736**	**169**	**112**	**–**	**1,017**
Disposals	**–**	**–**	**–**	**–**	**–**
At 31st December 2024	**8,180**	**6,529**	**391**	**2**	**15,102**
Depreciation					
At 1st January 2024	**121**	**4,757**	**217**	**2**	**5,097**
Provided for the year	**109**	**525**	**28**	**–**	**662**
Disposals	**–**	**–**	**–**	**–**	**–**
At 31st December 2024	**230**	**5,282**	**245**	**2**	**5,759**
Net book value					
At 31st December 2024	**7,950**	**1,247**	**146**	**–**	**9,343**
At 31st December 2023	7,323	1,603	62	–	8,988

The net book value of tangible fixed assets includes an amount of £125,000 (2023 – £219,000) in respect of assets under finance leases and hire purchase contracts. The related depreciation on these assets for the year was £95,000 (2023 – £170,000). Assets in the course of construction which have not been depreciated total £223,000 (2023 – £421,000).

The historical cost of the freehold land and buildings is £6,517,000 (2023 – £5,903,000).

5. INVESTMENTS

Subsidiary undertakings

Cost	£'000
As at 1st January 2024	**1,978**
Additions	**513**
At 31st December 2024	**2,491**

On 1st April 2024, the Company invested a further 9,800 class A Ordinary shares in its existing subsidiary 4B Asia Pacific Company Limited at a cost of 980,000 THB (£21,000) taking its percentage of voting rights from 89% to 90%.

On 20th December 2024, a new subsidiary PT Braime Components Indonesia was incorporated with a share capital of 10 billion Rupiah with the Company acquiring 100% of the shares. The share capital was unpaid at 31st December 2024 and the amount owing (£492,000) is included in Amounts owing to Group undertakings. The amount was settled in full on 7th February 2025.

The list of subsidiaries is disclosed in note 22 of the consolidated financial statements.

6. EMPLOYEES

	2024 No.	2023 No.
Office and management	**9**	9

	2024 £'000	2023 £'000
Directors' remuneration		
Emoluments for qualifying service	**700**	655

Certain directors and the central administration team are paid directly by the Company. Further details of directors' remuneration are included in the Group remuneration report.

7. PROFIT FOR THE FINANCIAL YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements.

8. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Other taxes	**19**	105
Corporation tax debtor	**7**	–
Prepayments	**59**	32
Amounts owed by Group undertakings	**3,452**	3,488
	3,537	3,625

9. AMOUNTS OWED TO GROUP UNDERTAKINGS

	2024 £'000	2023 £'000
Amounts owed by Group undertakings	**11,822**	9,316

Amounts owed to Group undertakings are repayable on demand upon the written request of the creditor.

Notes to the Company accounts (continued)

For the year ended 31st December 2024

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Bank overdraft	–	314
Bank loan – secured	242	1,139
Corporation tax	–	32
Trade creditors	46	88
Accruals	166	283
Hire purchase – secured	38	87
	492	1,943

Bank loans are GBP fixed term and development loans disclosed in note 14a of the Group financial statements. Cross guarantees exist in respect of certain Group Company bank borrowings. At 31st December 2024 the borrowings guaranteed by the Company amounted to £525,000 (2023 – £nil).

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £'000	2023 £'000
Bank Loan	1,202	517
Hire purchase creditor – secured	85	123
	1,287	640

The bank loans are secured over the property of the Company. The hire purchase creditors are secured by fixed charges over certain assets of the Company.

11a. The bank loan comprise amounts payable as follows:

	2024 £'000	2023 £'000
Within one year	242	1,139
One to two years	260	171
Two to five years	942	346
	1,444	1,656

12. PROVISIONS FOR LIABILITIES

Deferred tax liability

	2024 £'000	2023 £'000
Accelerated capital allowances	233	250
Rolled over capital gains	66	68
Property fair value adjustment	149	149
Losses	(205)	(209)
	243	258

	2024 £'000	2023 £'000
Balance at start of year	258	252
(Credit)/charge to income statement during the year	(15)	6
Balance at end of year	243	258

Deferred tax has been recognised at a rate of 25% (2023 – 25%).

13. LEASING AGREEMENTS

13a As Lessee:

The Company makes minimum lease payments under non-cancellable operating leases as follows:-

	2024 £'000	2023 £'000
Within one year	**9**	9
One to five years	**11**	20
	20	29

13b As Lessor:

The Company receives minimum lease payments under a non-cancellable operating lease rental with respect to its property as follows:-

	2024 £'000	2023 £'000
Within one year	**163**	160
One to five years	**380**	533
	543	693

All maintenance repairs to the premises as well as signage are carried out by the tenant. At the Company's option, the tenant may remain past the lease termination date on a month-to-month basis at 150% of the current annual base rent, or other agreed rate.

14. SHARE CAPITAL

	2024 £'000	2023 £'000
Authorised:		
480,000 Ordinary shares of 25p each	**120**	120
1,200,000 'A' Ordinary shares of 25p each	**300**	300
	420	420
Allotted, called up and fully paid:		
480,000 Ordinary shares of 25p each	**120**	120
960,000 'A' Ordinary shares of 25p each	**240**	240
	360	360

The 'A' Ordinary shares rank pari passu in all respects with Ordinary shares except that the holders of 'A' Ordinary shares are not entitled to vote at general meetings. Holders of Ordinary shares are entitled to one vote for every four shares held.

15. CAPITAL COMMITMENTS

There were capital commitments of £101,000 (2023 – £183,000) which are contracted but not provided for in these financial statements.

Five year record

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Turnover	**48,947**	48,155	44,879	36,406	32,803
Profit from operations (before exceptional item)	**3,652**	3,748	4,449	2,489	1,377
Profit before tax	**3,198**	3,335	3,822	1,070	1,195
Profit after tax	**2,333**	2,336	2,721	750	854
Basic and diluted earnings per share	**158.37p**	157.88p	188.96p	52.08p	59.31p

Notice of meeting

Notice is hereby given that the SEVENTY FIFTH Annual General Meeting of the members of Braime Group PLC (the 'Company') will be held at the registered office of the Company at Hunslet Road, Leeds, LS10 1JZ on 17th June 2025 at 11.45am.

Ordinary Resolutions

1. To receive and adopt the report of the directors, the statement of accounts and the directors' remuneration report, for the year ended 31st December 2024, and the report of the auditors thereon.

2. To confirm the dividends paid on 11th October 2024 and 23rd May 2025 on the Ordinary and 'A' Ordinary shares.

3. To re-appoint as a director O. N. A. Braime, who is retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.

4. To re-appoint as a director M. Cooper, who is retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.

5. To re-appoint as a director T. Steels, who is retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.

6. To re-appoint Azets as auditors, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at which accounts are laid.

7. To authorise the directors to set the remuneration of the auditors.

By order of the board,
Cielo Cartwright, Secretary
Hunslet Road, Leeds, LS10 1JZ
17th April 2025

Notice of meeting (continued)

ACCOMPANYING NOTES

1. A member entitled to vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not also be a member of the Company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice. A member may not appoint more than one proxy to exercise rights attached to any one share. To be valid, the form of proxy must be received at the Company's registered office at Hunslet Road, Leeds LS10 1JZ by no later than 11:45am on 13th June 2025.
2. The return of a completed form of proxy will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
3. In accordance with the Company's Articles of Association, holders of the 'A' Ordinary shares are entitled to attend, but not to vote at this meeting.
4. There will be available for inspection at the registered office during the Company's usual business hours (Saturdays, Sundays and public holidays excluded) from the date of this notice until the date of the Annual General Meeting and for at least fifteen minutes prior to and during the meeting: a statement for the period of twelve months to 31st December 2024 of all transactions of each director and, so far as he/she can reasonably ascertain, of his/her family interests in the Ordinary shares of the Company; the service contract of each executive director, where applicable and the letter of appointment of each non-executive director.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by 11.45am on 13th June 2025. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors, or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
6. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered on the Register of Members (the Register) of the Company as at 11.45am on 13th June 2025 (the Specified Time) shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the Register after the Specified Time shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting. Should the Annual General Meeting be adjourned, to be entitled to attend and vote at the adjourned Annual General Meeting, shareholders must be entered on the Register at the time which is 48 hours (excluding non-working days) before the time fixed for the adjourned Annual General Meeting or, if the Company gives notice of the adjourned Annual General Meeting, at the time specified in the Notice.

Explanatory notes of resolutions

The following notes give an explanation of the proposed resolutions. Resolutions 1 to 7 inclusive are proposed as Ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

The directors consider that all of the resolutions to be proposed at the AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that shareholders vote in favour of all of the resolutions, as the directors intend to do in respect of their own beneficial holdings.

BUSINESS TO BE TRANSACTED AT THE AGM

Details of the resolutions which are to be proposed at the AGM are set out below.

Ordinary resolutions

1. To receive and adopt the report and accounts
The directors are required to present the accounts for the year ended 31st December 2024 to the meeting.

2. Confirmation of dividends
To confirm the interim dividend on the Ordinary and 'A' Ordinary shares of 5.25p per share paid on 11th October 2024 and 10.00p per share paid on 23rd May 2025.

Re-appointment of directors
The Articles of Association of the Company require the nearest number to one third of the directors to retire at each Annual General Meeting. The following directors are retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers themselves for re-election.

3. O. N. A. Braime

4. M. Cooper

5. T. Steels

6. Re-appointment of auditors
The Company is required to appoint auditors at each Annual General Meeting to hold office until the next such meeting at which accounts are presented.

7. Remuneration of auditors
The resolution proposes the reappointment of the Company's existing auditors, Azets, and authorises the directors to agree their remuneration.

Directors and advisers

Directors	Alan Braime, BA (Hons), FCS Carl Braime, BSc (Hons), MSc, MBA Nicholas Braime, MA (Oxon), MBIM (Chairman) Cielo Cartwright, BSc (Hons), FCA Mark Cooper Tony Steels, B.Eng. B.Sc. (Hons) Ph.D Philip Stockdale, BA (OU)
Secretary	Cielo Cartwright, BSc (Hons), FCA
Registered office	Hunslet Road Leeds LS10 1JZ
Independent auditors	Azets Audit Services Limited 12 King Street Leeds West Yorkshire LS1 2HL
Bankers	HSBC Leeds City Branch 33 Park Row Leeds LS1 1LD
Stockbrokers	Zeus Capital 3rd Floor, Royal House 28 Sovereign Street Leeds LS1 4BJ
Company registration Number	488001 (England and Wales)

Braime Group – a rich heritage dating back to 1888

The Group has a rich heritage, tracing back its origins to the 19th century, when oilcans made in a small workshop by Thomas Braime quickly gained a reputation for quality. Thomas, the eldest son of a veterinary surgeon, was apprenticed to McLaren, an engineering company manufacturing steam traction engines. After losing his thumb in an accident, he was inspired to look for effective ways to apply oil to machinery. In 1888, he set up production in Hunslet, Leeds, using the new pressings technology. His younger brother Harry, also a skilled engineer joined him as partner. The rise of the motor industry increased demand for metal pressings and larger premises were soon needed for the expanding business. The current Braime buildings, with its attractive red brick and terracotta frontage, was constructed between 1911 and 1914. During the First World War, the Company played an important role in armament provision, training women as skilled munition workers. The Group's headquarters remains its listed buildings on Hunslet Road, the beautiful interiors are often used in film sets. However, today, the Group is truly international with subsidiaries in North America, Europe, China, South East Asia, Africa and Australia.

Designed and produced by corporate**prm**, Edinburgh and London
www.corporateprm.co.uk

Braime Group PLC

Hunslet Road
Leeds LS10 1JZ
England, UK
www.braimegroup.com