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

("Braime" or the "company" and with its subsidiaries the "group")

ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2016

At a meeting of the directors held today, the accounts for the year ended 31st December 2016 were submitted and approved by the directors. The accounts statement is as follows:

Chairman's statement

Overall performance of the group

Sales revenue in 2016 increased by 7.3% to £28.4m compared to £26.5m in 2015 and the profit from operations increased to £1.4m from £0.9m in the previous year.

The profit before tax in 2016 reduced to £1.27m compared to £1.95m in 2015 however the prior year result had benefitted from the exceptional profit of £1.16m from the sale of part of the Hunslet site.

Results from some subsidiaries of the group were below expectations but the performance in other parts of the group more than offset this and, overall, the 2016 result was positive. The group also benefited, like many UK exporters, from the immediate fall in pound sterling following the result of the EU Referendum.

Dividends

The directors have decided to increase the total dividend for 2016 by 2.2% to 9.30p. The first interim dividend of 2.90p, paid in October 2016, was unchanged but the second interim dividend will be increased to 6.40p (2015 - 6.20p). Accordingly, an interim dividend of 6.40p per Ordinary and 'A' Ordinary share will be paid on 12th May 2017 to shareholders on the record on 5th May 2017.

Capex

During 2016, the group invested £1.1m in plant and equipment. Further major investments are planned for 2017, focusing on improving productivity in manufacturing and extending our overseas distribution. The final 'go ahead' for these investments and their timing are dependent on maintaining adequate cash flow and the availability of long term finance.

Cash flow

Continuous monitoring of the cash flow and the headroom between the actual borrowings and the agreed maximum borrowing facility with our bankers is increasingly important. Although the group has distinct 'seasonal' periods when outgoings peak, the timing of payments for exceptional purchases fluctuate throughout the year.

In 2016, the group generated a £1.9m cash inflow from operations and, after taking account of the net increase in working capital required, the payment of other financial costs and the dividend, the group was cash positive by £427,000.

The group revenue continues to grow year on year. To do so in 2016 it required an increase in both stocks and debtors, by £400,000 and £208,000 respectively, although the increase in debtors was more than offset by an increase in the creditors of £272,000.

Group stocks increased by 7.0%, roughly in line with the 7.3% increase in sales revenue, but overall group stocks remain high. Reducing them is an important potential source of funds required for ongoing investment, while maintaining adequate stock is a pre-requisite of achieving the all-important delivery performance required by our customers. Achieving this balance is a never-ending battle and rightly remains a key individual responsibility for the managing directors of each subsidiary and for the group directors.

Staff

The positive and proactive contribution of all individual staff at all levels and in all parts of the group is crucial to the continuing success of the business.

Every year customers look for improvements in pricing and for higher standards of quality and delivery. This puts pressure on management, office staff and on everyone involved in production. This in turn impacts family life as many of our technical and sales staff are required to spend more time travelling away from home.

We thank them all for their ongoing effort.

Braime Pressings Limited
The new transfer line came on stream in the third quarter of 2016 but initially did not achieve its potential throughput. Combined with exceptional demand, this resulted in additional shifts which disproportionally increased manufacturing costs and resulted in a disappointing result. With the significant contribution being made by new senior staff, the situation is gradually improving in 2017.

Additionally the company has secured a large contract for a new product line which we are confident we can produce competitively based on our existing skill set. When this product comes on stream in late 2017, it will make a major positive contribution.

4B material handling division
The results from the subsidiaries making up the 4B division were mixed in 2016.

4B USA, operating in both North and South America, enjoyed a strong year, as did both 4B Africa and 4B Australia. In contrast, 4B France had a poor year due to weak demand resulting from a lower than expected harvest. The result from the UK division, 4B Braime, was initially damaged by the very high value of sterling in the first half of 2016 and only partially rectified in the second part of 2016 by the effective 10% devaluation in June. 4B Asia Pacific faced major additional short term costs but is now meeting our positive long term expectations.

Overall the 4B group had a positive year which illustrates the benefit provided by the diversity of products it offers to customers and the wide range of industries and regions which make up its customer base.

Brexit
As 80% of group sales are made in overseas markets, the company benefited substantially from the steep fall in the value of pound sterling following the referendum. The lower value of sterling considerably increased the margins both on direct overseas sales and those made through an overseas subsidiary. Additionally, the contribution of the individual overseas subsidiaries are enhanced when converted back into sterling and consolidated in the group result.

The medium term effects of Brexit will be much more complex. The company imports the majority of its raw materials for manufacture and imports some products for re-sale in the UK. In both cases, it will be difficult to pass on the magnitude of these cost increases to customers.

Where the company buys products from overseas suppliers in euros or dollars and then resells the products in export markets, the effect may be neutral - but may not be if the products involved have to be imported and processed first in the UK before being re-exported. The company may have to look at different locations for stocking and processing products. Until agreements are finalised with the EU, and probably beyond that, there is going to remain a great deal of uncertainty as to the overall effect on the group.

That said, only 25% of group sales are made to the EU compared to 55% to other overseas markets and the likelihood is that the group will be a major beneficiary from Brexit. Moreover, the group had already identified the overseas markets outside the EU as the regions with the greatest potential for future growth and has for some time been focused on their development. Brexit offers a major opportunity that the group needs to seize.

Ironically the one major risk is that the currency market itself decides that on balance the UK is going to be a long term "winner" from Brexit and the fall in the pound is reversed, just at the same time as the UK faces new tariffs. In the long term, the level of the pound relative to other currencies is likely to play a bigger factor than the possible implementation of tariffs by the EU.

Outlook
We continue to invest in the future, in improving productivity, in developing new markets and in introducing new innovative products.

In spite of the current level of uncertainty and ever increasing competition, the group has started this financial year positively and overall is currently performing ahead of both last year and the 2017 budget.

O. N. A. Braime, Chairman
26th April 2017

For further information please contact:

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Summarised consolidated income statement for the year ended 31st December 2016 (audited)

	2016	2015
	£	£
Revenue	**28,415,449**	26,470,084
Changes in inventories of finished goods and work in progress	**337,116**	886,480
Raw materials and consumables used	**(15,890,401)**	(15,529,776)
Employee benefits costs	**(6,726,428)**	(6,022,492)
Depreciation expense	**(801,376)**	(758,589)
Other expenses	**(3,940,015)**	(4,148,272)
Profit from operations	**1,394,345**	897,435
Profit on disposal of tangible fixed assets	**-**	1,158,140
Finance expense	**(150,142)**	(116,830)
Finance income	**29,902**	11,726
Profit before tax	**1,274,105**	1,950,471
Tax expense	**(419,588)**	(408,937)
Profit for the year	**854,517**	1,541,534
Profit attributable to:		
Owners of the parent	**932,101**	1,584,748
Non-controlling interests	**(77,584)**	(43,214)
	854,517	1,541,534
Basic and diluted earnings per share	**59.34p**	107.05p

Summarised consolidated statement of comprehensive income for the year ended 31st December 2016 (audited)

	2016	2015
	£	£
Profit for the year	**854,517**	1,541,534
Items that will not be reclassified subsequently to profit or loss		
Net pension remeasurement gain on post employment benefits	**10,000**	10,000
Items that may be reclassified subsequently to profit or loss		
Foreign exchange gains/(losses) on re-translation of overseas operations	**597,976**	(146,822)
Other comprehensive income for the year	**607,976**	(136,822)
Total comprehensive income for the year	**1,462,493**	1,404,712
Total comprehensive income attributable to:		
Owners of the parent	**1,540,077**	1,447,926
Non-controlling interests	**(77,584)**	(43,214)
	1,462,493	1,404,712

Summarised consolidated balance sheet at 31st December 2016 (audited)

	2016	2016	2015	2015
	£	**£**	£	£
Assets				
Non-current assets				
Property, plant and equipment	**5,357,772**		4,677,456	
Goodwill	**12,270**		12,270	
Financial assets	**-**		51,877	
Total non-current assets		**5,370,042**		4,741,603
Current assets				
Inventories	**6,119,495**		5,719,654	
Trade and other receivables	**5,213,019**		5,005,099	
Financial assets	**51,877**		57,777	
Cash and cash equivalents	**742,474**		931,018	
Total current assets		**12,126,865**		11,713,548
Total assets		**17,496,907**		16,455,151
Liabilities				
Current liabilities				
Bank overdraft	**-**		615,038	
Trade and other payables	**4,181,683**		4,053,220	
Other financial liabilities	**1,730,288**		1,498,171	
Corporation tax liability	**146,703**		66,854	
Total current liabilities		**6,058,674**		6,233,283
Non-current liabilities				
Financial liabilities	**1,360,947**		1,363,524	
Deferred income tax liability	**117,724**		230,235	
Total non-current liabilities		**1,478,671**		1,593,759
Total liabilities		**7,537,345**		7,827,042
Total net assets		**9,959,562**		8,628,109
Share capital		**360,000**		360,000
Capital reserve		**257,319**		257,319
Foreign exchange reserve		**539,395**		(58,581)
Retained earnings		**9,005,528**		8,194,467
Total equity attributable to the shareholders of the parent		**10,162,242**		8,753,205
Non-controlling interests		**(202,680)**		(125,096)
Total equity		**9,959,562**		8,628,109

Summarised consolidated cash flow statement for the year ended 31st December 2016 (audited)

	2016	2016	2015	2015
	£	£	£	£
Operating activities				
Net profit		**854,517**		1,541,534
Adjustments for:				
Depreciation	**801,376**		758,589	
Grants amortised	**(6,568)**		(1,656)	
Foreign exchange gains/(losses)	**525,324**		(146,677)	
Finance income	**(29,902)**		(11,726)	
Finance expense	**150,142**		116,830	
Gain on sale of land and buildings, plant, machinery and motor vehicles	**(12,538)**		(1,158,140)	
Adjustment in respect of defined benefits scheme	**12,000**		13,000	
Income tax expense	**419,588**		408,937	
Income taxes paid	**(491,778)**		(490,525)	
		1,367,644		(511,368)
Operating profit before changes in working capital and provisions		**2,222,161**		1,030,166
Increase in trade and other receivables	**(207,920)**		(93,991)	
Increase in inventories	**(399,841)**		(831,471)	
Increase in trade and other payables	**272,025**		329,488	
		(335,736)		(595,974)
Cash generated from operations		**1,886,425**		434,192
Investing activities				
Purchases of property, plant, machinery and motor vehicles	**(998,617)**		(1,010,401)	
Sale of land and buildings, plant, machinery and motor vehicles	**12,538**		1,190,561	
Interest received	**27,902**		8,726	
		(958,177)		188,886
Financing activities				
Proceeds from long term borrowings	**-**		300,000	
Loan financing repayments	**57,777**		90,346	
Repayment of borrowings	**(101,917)**		(171,020)	
Repayment of hire purchase creditors	**(176,432)**		(130,335)	
Interest paid	**(150,142)**		(116,830)	
Dividends paid	**(131,040)**		(131,040)	
		(501,754)		(158,879)
Increase in cash and cash equivalents		**426,494**		464,199
Cash and cash equivalents, beginning of period		**315,980**		(148,219)
Cash and cash equivalents, end of period		**742,474**		315,980

Consolidated statement of changes in equity for the year ended 31st December 2016 (audited)

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Non-Controlling Interests £	Total Equity £
Balance at 1st January 2015	360,000	257,319	88,241	6,730,759	7,436,319	(81,882)	7,354,437
Comprehensive income							
Profit	-	-	-	1,584,748	1,584,748	(43,214)	1,541,534
Other comprehensive income							
Net pension remeasurement gain recognised directly in equity	-	-	-	10,000	10,000	-	10,000
Foreign exchange losses on re-translation of overseas subsidiaries consolidated operations	-	-	(146,822)	-	(146,822)	-	(146,822)
Total other comprehensive income	-	-	(146,822)	10,000	(136,822)	-	(136,822)
Total comprehensive income	-	-	(146,822)	1,594,748	1,447,926	(43,214)	1,404,712
Transactions with owners							
Dividends	-	-	-	(131,040)	(131,040)	-	(131,040)
Total transactions with owners	-	-	-	(131,040)	(131,040)	-	(131,040)
Balance at 31st December 2015	360,000	257,319	(58,581)	8,194,467	8,753,205	(125,096)	8,628,109
Balance at 1st January 2016	**360,000**	**257,319**	**(58,581)**	**8,194,467**	**8,753,205**	**(125,096)**	**8,628,109**
Comprehensive income							
Profit	**-**	**-**	**-**	**932,101**	**932,101**	**(77,584)**	**854,517**
Other comprehensive income							
Net pension remeasurement gain recognised directly in equity	**-**	**-**	**-**	**10,000**	**10,000**	**-**	**10,000**
Foreign exchange gains on re-translation of overseas subsidiaries consolidated operations	**-**	**-**	**597,976**	**-**	**597,976**	**-**	**597,976**
Total other comprehensive income	**-**	**-**	**597,976**	**10,000**	**607,976**	**-**	**607,976**
Total comprehensive income	**-**	**-**	**597,976**	**942,101**	**1,540,077**	**(77,584)**	**1,462,493**
Transactions with owners							
Dividends	**-**	**-**	**-**	**(131,040)**	**(131,040)**	**-**	**(131,040)**
Total transactions with owners	**-**	**-**	**-**	**(131,040)**	**(131,040)**	**-**	**(131,040)**
Balance at 31st December 2016	**360,000**	**257,319**	**539,395**	**9,005,528**	**10,162,242**	**(202,680)**	**9,959,562**

Notes

1. EARNINGS PER SHARE AND DIVIDENDS

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

The weighted average number of outstanding shares used for basic earnings per share amounted to 1,440,000 shares (2015 – 1,440,000). There are no potentially dilutive shares in issue.

Dividends paid	**2016**	2015
	£	£
Equity shares		
Ordinary shares		
Interim of 6.20p (2015 – 6.20p) per share paid on 12th May 2016	**29,760**	29,760
Interim of 2.90p (2015 – 2.90p) per share paid on 21st October 2016	**13,920**	13,920
	43,680	43,680
'A' Ordinary shares		
Interim of 6.20p (2015 – 6.20p) per share paid on 12th May 2016	**59,520**	59,520
Interim of 2.90p (2015 – 2.90p) per share paid on 21st October 2016	**27,840**	27,840
	87,360	87,360
Total dividends paid	**131,040**	131,040

An interim dividend of 6.40p per Ordinary and 'A' Ordinary share will be paid on 12th May 2017.

2. SEGMENTAL INFORMATION

	Central 2016 £	**Manufacturing 2016 £**	**Distribution 2016 £**	**Total 2016 £**
Revenue				
External	**-**	**3,564,987**	**24,850,462**	**28,415,449**
Inter company	**472,671**	**2,659,476**	**4,443,233**	**7,575,380**
Total	**472,671**	**6,224,463**	**29,293,695**	**35,990,829**
Profit				
EBITDA	**(143,881)**	**180,991**	**2,158,611**	**2,195,721**
Finance costs	**(73,959)**	**(25,867)**	**(50,316)**	**(150,142)**
Finance income	**-**	**2,489**	**27,413**	**29,902**
Depreciation	**(279,022)**	**(140,585)**	**(381,769)**	**(801,376)**
Tax expense	**(40,740)**	**98,242**	**(477,090)**	**(419,588)**
Profit/(loss) for the period	**(537,602)**	**115,270**	**1,276,849**	**854,517**
Assets				
Total assets	**4,497,238**	**1,008,429**	**11,991,240**	**17,496,907**
Additions to non current assets	**1,022,501**	**-**	**347,010**	**1,369,511**
Liabilities				
Total liabilities	**1,022,777**	**2,139,638**	**4,374,930**	**7,537,345**

	Central 2015 £	Manufacturing 2015 £	Distribution 2015 £	Total 2015 £
Revenue				
External	-	3,955,447	22,514,637	26,470,084
Inter company	122,593	3,267,777	4,411,488	7,801,858
Total	122,593	7,223,224	26,926,125	34,271,942
Profit				
EBITDA	(102,140)	35,632	1,722,532	1,656,024
Gain on sale of tangible fixed assets	-	1,149,629	8,511	1,158,140
Finance costs	(48,347)	(30,566)	(37,917)	(116,830)
Finance income	-	3,666	8,060	11,726
Depreciation	-	(432,370)	(326,219)	(758,589)
Tax expense	(44,540)	-	(364,397)	(408,937)
(Loss)/profit for the period	(195,027)	725,991	1,010,570	1,541,534
Assets				
Total assets	1,314,918	4,588,122	10,552,111	16,455,151
Additions to non current assets	-	1,146,385	265,722	1,412,107
Liabilities				
Total liabilities	701,606	2,839,750	4,285,686	7,827,042

3. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with applicable International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention. The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st December 2016 as described in those financial statements.

4. ANNUAL GENERAL MEETING

The Annual General Meeting of the members of the company will be held at the registered office of the company at Hunslet Road, Leeds, LS10 1JZ on Thursday 1st June 2017 at 11.45am. The annual report and financial statements will be sent to shareholders by 10th May 2017 and will also be available on the company's website (www.braimegroup.com) from that date.

5. PRELIMINARY STATEMENT

The financial statements set out in the preliminary announcement do not constitute statutory accounts as defined by section 434 of the Company Act 2006. The financial information for the year ended 31st December 2016 has been extracted from the group's financial statements upon which the auditor's opinion is unqualified, does not include reference to any matters to which they wish to draw attention by way of emphasis without qualifying their report, and does not include any statement under section 498 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2015 have been delivered to the Registrar of Companies, and those for 2016 will be delivered in due course.

6. EVENTS AFTER THE REPORTING PERIOD

There were no events after the balance sheet date that would require disclosure in accordance with IAS10, "Events after the reporting period".