

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 31 DECEMBER 2015

At a meeting of the directors held today, the accounts for the year ended 31st December 2015 were submitted and approved by the directors. The accounts statement is as follows:

Chairman's statement

Overall performance of the group

Group sales revenue in 2015 maintained the consistent growth seen in recent years, increasing by 9% in 2015 to £26.5m from £24.3m in 2014.

Operating profit however fell to £897,000 from £1,236,000 in the previous year, as a result of the negative effects on 4B Braime Components of the steep fall in the value of the euro and a disappointing performance from Braime Pressings.

The overall profit before tax rose to £1,950,000 from £1,125,000, due to the exceptional circumstances explained below. After deducting tax, the final profit for the year nearly doubled to £1,542,000, compared to £782,000 in 2014.

In view of the overall result, the directors have decided to pay a second interim of 6.20p, leaving the total dividends of 9.10p, unchanged from the previous year.

Exceptional issues in 2015

During the year, the group completed the sale to the new University Technical College (UTC) of 1.15 acres of the Hunslet Road site. This eliminated both the annual running costs and the long term maintenance of 25% of the building. The funds raised from the sale have enabled the group to modernise the facilities of the UK material handling business and considerably improve its operating efficiency.

The sale proceeds, plus an additional contribution from the UTC towards the structural work required, created a gain on disposal of £1,027,000 after taking into account the professional and legal fees required to facilitate the sale. Part of the proceeds were used to fund the construction of a new fire wall separating our facilities from the adjoining UTC building, reducing the gain by a further £258,000. Tax arising on this gain has been deferred against future capital investments in the business.

During the year, a fire in Braime Pressings seriously damaged a key automated press line. The group was fully insured against both the damage caused to the press, the additional costs incurred and the loss of contribution as a result of having to source replacement parts from a third party, based in the USA, to satisfy an existing customer contract; up to 31st December 2015 these costs amounted to £243,000. Given the costs and uncertainty involved in a repair, the insurance company determined that the lower risk option to them was to make a contribution of £375,000 towards the costs of a new press line. This will be commissioned during the first half of 2016 and the directors believe this will increase both capacity and productivity of this production cell.

In line with generally accepted accounting practice, the disposal of the damaged press, which was almost fully depreciated and the contribution received, gives rise to a further gain on disposal of £373,000. The new press line will be capitalised once it has been fully commissioned and then depreciated in line with normal policy. The accountancy treatment of the disposal has no effect on the tax charge.

Braime Pressings Limited

At an operating profit level, Braime Pressings Limited recorded a loss in 2015, as despite the significant investments in plant made in recent years, productivity has recently declined. The

company has addressed this issue by the recruitment of new managers which the directors believe will have a positive impact on performance and quality.

Pressings also faced unexpectedly high plant repairs and a significant increase in energy costs, even though the wiring was modernised throughout the facility and energy saving lighting installed in 2014.

A number of improvements to the layout of the plant were made in 2015. The tool room was relocated closer to the production area and a new comprehensive system of tool racking was installed. A temperature controlled storage area has also been created for finished parts and the heating system throughout the facility has been modernised to improve the working environment.

The goods inwards and despatch areas have been re-located from the front of the building directly adjoining the dual carriageway leading to Leeds City Centre to the quieter rear of the facility, giving better vehicle accessibility and allowing for future increases in capacity. This significantly improves efficiency as the existing historic corner entrance was designed for horse drawn carts in 1911!

4B material handling division

On the whole, the overseas subsidiaries within the 4B division increased both sales and profitability. The impact of movements in foreign exchange rates affected the apparent performance of a number of subsidiaries. The contribution to the group from 4B Africa and 4B France were both reduced by the depreciation in the value of their trading currencies during 2015 when consolidated in sterling into the group result.

On the other hand, the largest subsidiary, 4B Components USA, had a good trading year and benefited from the movement in the dollar exchange rate which lowered the cost of imported goods and increased the value of the subsidiary's contribution to the group.

Unfortunately, the profitability of 4B Braime Components in the UK was impacted by the fall of around 15% in the value of the euro compared to sterling. A large part of the sales of 4B Braime Components to Eurozone customers are priced in euros at the start of each year which meant that the fall in the exchange rate significantly reduced the gross margins achieved on sales in 2015.

The 4B division has for many years delivered continuous annual growth and in 2015 sales surpassed £22.5m; 4B is primarily a distribution business and therefore "if you don't have it, you won't sell it". Given the size of the product range, the long lead times and the global nature of the business, this rate of growth in sales inevitably puts upward pressure on stocks and the group's financial resources. The overall group stock grew by £831,000 in 2015 and most of this increase was within the 4B Division. Consequently, stock control within the division will need to be improved to enable the company to continue to invest in new plant and products.

Finance and cash flow

The company ended 2015 with positive cash reserves of £315,000; a net improvement of £464,000 over the equivalent position at the end of 2014.

The cash flow statement shows that the group's working capital position declined year on year by £596,000. This has been caused by an increase in group stock of £831,000 and a small increase in trade debtors and other receivables of £94,000. This was only partly offset by an increase in trade creditor and other payables of £329,000.

The increase in the group stock from £4,889,000 to £5,720,000 represents a 17% increase year on year compared to the 9% increase in sales achieved and this is a primary reason for the substantial increase in working capital. An immediate focus for 2016 will be to reduce stock to its previous ratio relative to sales and improved controls and processes are being put in place to achieve this.

Capex

In 2015, the group invested £689,000 in plant and equipment and motor vehicles. At 31st December 2015, the group had on order further capital investments of £427,000, made up largely of the new press line and other projects to improve the effectiveness of its manufacturing operations. Funds permitting, the group has plans to make further investments which will improve productivity, capacity, and quality control.

Staff

Staff are the group's most important asset. Turnover in staff is extremely low and the directors believe this indicates the level of their loyalty and commitment. Listening carefully to their ideas and encouraging their proactive support is essential, in order to maintain both the survival and the growth of the business in what are ever more challenging circumstances. Management continues to carefully invest in the employment of new staff to strengthen further the group and are very pleased to welcome them to the business.

Outlook

Truck components both for building new vehicles and for their regular maintenance are the key product of Braime Pressings and currently demand is running well below last year due to the economic slowdown seen across Europe.

Demand for the range of 4B material components fell in the last quarter of 2015 leading all subsidiaries to express concerns for 2016. However, with the exception of 4B Braime in the UK, where demand remains subdued, the sales performance of the overseas subsidiaries is exceeding last year and is more than offsetting the effect of the underlying global downturn.

The overall result for the group will continue to be affected, as in recent years, by movements in the exchange rates and the slowdown in the global economy which are impossible to predict. The underlying position of the group however, remains positive due to its reputation and the quality of its products and the services it offers.

O. N. A. Braime, Chairman
21st April 2016

For further information please contact:

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**Summarised consolidated income statement for the year ended 31st December 2015
(audited)**

	2015 £	2014 £
Revenue	26,470,084	24,291,700
Changes in inventories of finished goods and work in progress	886,480	161,071
Raw materials and consumables used	(15,529,776)	(13,535,766)
Employee benefits costs	(6,022,492)	(5,309,357)
Depreciation expense	(758,589)	(564,244)
Other expenses	(4,148,272)	(3,807,604)
Profit from operations	897,435	1,235,800
Profit on disposal of tangible fixed assets	1,158,140	2,796
Finance costs	(116,830)	(115,291)
Finance income	11,726	2,164
Profit before tax	1,950,471	1,125,469
Tax expense	(408,937)	(343,340)
Profit for the year	1,541,534	782,129
Profit attributable to:		
Owners of the parent	1,584,748	864,011
Non-controlling interests	(43,214)	(81,882)
	1,541,534	782,129
Basic and diluted earnings per share	107.05p	54.31p

Summarised consolidated statement of comprehensive income for the year ended 31st December 2015 (audited)

	2015 £	2014 £
Profit for the year	1,541,534	782,129
Items that will not be reclassified subsequently to profit or loss		
Net pension remeasurement gain on post employment benefits	10,000	44,000
Items that may be reclassified subsequently to profit or loss		
Foreign exchange (losses)/ gains on re-translation of overseas operations	(146,822)	10,819
Other comprehensive income for the year	(136,822)	54,819
Total comprehensive income for the year	1,404,712	836,948
Total comprehensive income attributable to:		
Owners of the parent	1,447,926	918,830
Non-controlling interests	(43,214)	(81,882)
	1,404,712	836,948

Summarised consolidated balance sheet at 31st December 2015 (audited)

	2015 £	2015 £	2014 £	2014 £
Assets				
Non-current assets				
Property, plant and equipment	4,677,456		4,056,506	
Goodwill	12,270		12,270	
Financial assets	51,877		101,853	
Total non-current assets		4,741,603		4,170,629
Current assets				
Inventories	5,719,654		4,888,183	
Trade and other receivables	5,005,099		4,911,108	
Financial assets	57,777		98,147	
Cash and cash equivalents	931,018		1,357,769	
Total current assets		11,713,548		11,255,207
Total assets		16,455,151		15,425,836
Liabilities				
Current liabilities				
Bank overdraft	615,038		1,505,988	
Trade and other payables	4,053,220		3,752,594	
Other financial liabilities	1,498,171		1,323,095	
Corporation tax liability	66,854		187,054	
Total current liabilities		6,233,283		6,768,731
Non-current liabilities				
Financial liabilities	1,363,524		1,111,045	
Deferred income tax liability	230,235		191,623	
Total non-current liabilities		1,593,759		1,302,668
Total liabilities		7,827,042		8,071,399
Total net assets		8,628,109		7,354,437
Capital and reserves attributable to equity holders of the parent company				
Share capital		360,000		360,000
Capital reserve		257,319		257,319
Foreign exchange reserve		(58,581)		88,241
Retained earnings		8,194,467		6,730,759
Total equity attributable to the shareholders of the parent		8,753,205		7,436,319
Non-controlling interests		(125,096)		(81,882)
Total equity		8,628,109		7,354,437

**Summarised consolidated cash flow statement for the year ended 31st December 2015
(audited)**

	2015 £	2015 £	2014 £	2014 £
Operating activities				
Net profit		1,541,534		782,129
Adjustments for:				
Depreciation	758,589		564,244	
Grants amortised	(1,656)		(1,656)	
Foreign exchange (losses)/gains	(146,677)		15,279	
Finance income	(11,726)		(2,164)	
Finance expense	116,830		115,291	
Gain on sale of land and buildings, plant, machinery and motor vehicles	(1,158,140)		(2,796)	
Adjustment in respect of defined benefits scheme	13,000		46,000	
Income tax expense	408,937		343,340	
Income taxes paid	(490,525)		(41,685)	
		(511,368)		1,035,853
Operating profit before changes in working capital and provisions		1,030,166		1,817,982
Increase in trade and other receivables	(93,991)		(1,044,846)	
Increase in inventories	(831,471)		(68,983)	
Increase in trade and other payables	329,488		1,114,877	
		(595,974)		1,048
Cash generated from operations		434,192		1,819,030
Investing activities				
Purchases of property, plant, machinery and motor vehicles	(1,010,401)		(1,368,985)	
Sale of land and buildings, plant, machinery and motor vehicles	1,190,561		14,540	
Interest received	8,726		164	
		188,886		(1,354,281)
Financing activities				
Proceeds from long term borrowings	300,000		200,000	
Loan financing repayments/ (provided)	90,346		(200,000)	
Repayment of borrowings	(171,020)		(272,688)	
Repayment of hire purchase creditors	(130,335)		(170,231)	
Interest paid	(116,830)		(115,291)	
Dividends paid	(131,040)		(131,040)	
		(158,879)		(689,250)
Increase/(decrease) in cash and cash equivalents		464,199		(224,501)
Cash and cash equivalents, beginning of period		(148,219)		76,282
Cash and cash equivalents, end of period		315,980		(148,219)

**Consolidated statement of changes in equity for the year ended 31st December 2015
(audited)**

	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Non- Controlling Interests £	Total Equity £
Balance at 1st January 2014	360,000	77,319	77,422	6,156,288	6,671,029	-	6,671,029
Comprehensive income							
Profit	-	-	-	864,011	864,011	(81,882)	782,129
Other comprehensive income							
Net pension remeasurement gain recognised directly in equity	-	-	-	44,000	44,000	-	44,000
Foreign exchange gain on re- translation of overseas subsidiaries consolidated operations	-	-	10,819	-	10,819	-	10,819
Total other comprehensive income	-	-	10,819	44,000	54,819	-	54,819
Total comprehensive income	-	-	10,819	908,011	918,830	(81,882)	836,948
Transactions with owners							
Dividends	-	-	-	(131,040)	(131,040)	-	(131,040)
Cancellation of Preference shares	-	180,000	-	(202,500)	(22,500)	-	(22,500)
Total transactions with owners	-	180,000	-	(333,540)	(153,540)	-	(153,540)
Balance at 31st December 2014	360,000	257,319	88,241	6,730,759	7,436,319	(81,882)	7,354,437

	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 loss 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

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 (2014 - 1,440,000). There are no potentially dilutive shares in issue.

Dividends paid	2015	2014
	£	£
Equity shares		
Ordinary shares		
Interim of 6.20p (2014 - 6.20p) per share paid on 2nd April 2015	29,760	29,760
Interim of 2.90p (2014 - 2.90p) per share paid on 18th October 2015	13,920	13,920
	43,680	43,680
'A' Ordinary shares		
Interim of 6.20p (2014 - 6.20p) per share paid on 2nd April 2015	59,520	59,520
Interim of 2.90p (2014 - 2.90p) per share paid on 18th October 2015	27,840	27,840
	87,360	87,360
Total dividends paid	131,040	131,040

An interim dividend of 6.20p per Ordinary and 'A' Ordinary share will be paid on 12th May 2016.

2. SEGMENTAL INFORMATION

	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

	Central 2014 £	Manufacturing 2014 £	Distribution 2014 £	Total 2014 £
Revenue				
External	-	3,621,626	20,670,074	24,291,700
Inter company	113,568	2,761,536	3,743,664	6,618,768
Total	113,568	6,383,162	24,413,738	30,910,468
Profit				
EBITDA	(5,777)	219,116	1,589,501	1,802,840
Finance costs	(27,820)	(46,387)	(41,084)	(115,291)
Finance income	-	2,000	164	2,164
Depreciation	(6,300)	(287,663)	(270,281)	(564,244)
Tax expense	(78,099)	(34,335)	(230,906)	(343,340)
(Loss)/profit for the period	(117,996)	(147,269)	1,047,394	782,129
Assets				
Total assets	1,323,858	4,033,070	10,068,908	15,425,836
Additions to non current assets	-	1,118,171	399,405	1,517,576
Liabilities				
Total liabilities	520,316	2,868,453	4,682,630	8,071,399
Revenue				

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 31 December 2015 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 Friday 10th June 2016 at 11.45am. The annual report and financial statements will be sent to shareholders by 12 May 2016 and will also be available on the company's website (www.brainmegroup.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 Companies Act 2006. The financial information for the year ended 31st December 2015 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 2014 have been delivered to the Registrar of Companies, and those for 2015 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".