

**INTERIM REPORT**

**FOR THE SIX MONTHS ENDED**

**30TH JUNE 2016**

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

## Management commentary

For the six months ended 30th June 2016

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### Performance

Group sales revenue for the first six months of 2016 increased by 1% to £13,619,000 (2015 - £13,487,000) but profit before tax increased by 14% to £464,000 and profit after tax by 15% to £324,000 compared to £282,000 in the comparable period of 2015.

Given the very weak demand level and outlook at the turn of the year, the directors regard the interim result as satisfactory.

### Dividends

The directors have decided to maintain the interim dividend unchanged at 2.90p per share. This dividend will be paid on the 21<sup>st</sup> October 2016 to the Ordinary and " A " Ordinary shareholders on the register on 14th October 2016. The associated ex-dividend date will be 13<sup>th</sup> October 2016.

### Braime Pressings Limited

The year started out with low demand from Europe for new or replacement parts for commercial vehicles as the EU economies remained flat, but there has been an increase in activity in recent months. The manufacturing business has also finally begun to benefit from some improvements in productivity and losses have been reduced.

### 4B Division

In the early months of 2016, monthly sales by 4B Braime, particularly within the UK, continued at the worryingly low levels experienced at the end of 2015, in part because of the uncertainty prior to the Referendum. During the first six months of 2016, the monthly results remained stubbornly below budget and well below the equivalent months in 2015.

Then immediately after the unexpected result of the Referendum, 4B Braime had three strong sales months as pent up demand was released in the UK agricultural sector. Meanwhile margins on export sales, made since the start of the second half of the year, have improved substantially due to the sudden 10% fall in the value of the Pound following the Brexit decision and the company is now trading at comparable levels to prior year.

At 4B France, 2016 started brightly but severe weather in the spring and early summer has led to a poor harvest and many customers have now reduced their planned expenditure for the remainder of the year.

The other overseas subsidiaries have had a much better start to the year than they had feared and generally remain positive about the final result for the year, although there are signs of the usual slowdown in the USA as the Presidential Election approaches.

### Cash Flow.

Cash throughout the first six months of the year remained tight. This is the period when outgoings are normally high as both the tax and dividends for the previous year become due. This situation was exacerbated by the unusually low sales revenue in the UK companies in the first months of 2016 and capital investment and improvements at the Hunslet Road site

However the "Headroom" - the difference between the maximum amount of borrowing facility available to the group and the amount of borrowing actually needed at any one time to pay the ongoing costs of the business and for investments - has gradually improved and is predicted to continue to do so throughout the second half of 2016.

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

**Management commentary**

**For the six months ended 30th June 2016**

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The business continues to focus on reducing group stocks and the cash it ties up in working capital. Meanwhile the group has been able to continue its policy of investing in new equipment to improve productivity.

**Forecast for the second half of 2016.**

Given the global spread of sales, the group is always going to be exposed to the sudden effects of unexpected economic events elsewhere. However, overall, we are reasonably optimistic of achieving a solid result in 2016.

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

**Consolidated income statement**

**For the six months ended 30th June 2016**

	Note	Unaudited 6 months to 30th June 2016 £	Unaudited 6 months to 30th June 2015 £	Audited year to 31st December 2015 £
<b>Revenue</b>		<b>13,619,008</b>	13,487,175	26,470,084
Changes in inventories of finished goods and work in progress		<b>224,198</b>	424,534	886,480
Raw materials and consumables used		<b>(7,625,329)</b>	(7,975,378)	(15,529,776)
Employee benefits costs		<b>(3,151,829)</b>	(2,848,956)	(6,022,492)
Depreciation expense		<b>(390,290)</b>	(342,441)	(758,589)
Other expenses		<b>(2,148,239)</b>	(2,305,874)	(4,148,272)
<b>Profit from operations</b>		<b>527,519</b>	439,060	897,435
Profit on disposal of tangible fixed assets		-	14,750	1,158,140
Finance costs		<b>(64,523)</b>	(53,505)	(116,830)
Finance income		<b>580</b>	5,870	11,726
<b>Profit before tax</b>		<b>463,576</b>	406,175	1,950,471
Tax expense		<b>(139,289)</b>	(123,833)	(408,937)
<b>Profit for the period</b>		<b>324,287</b>	282,342	1,541,534
<b>Profit attributable to :</b>				
Owners of the parent		<b>384,521</b>	305,646	1,584,748
Non-controlling interests		<b>(60,234)</b>	(23,304)	(43,214)
		<b>324,287</b>	282,342	1,541,534
<b>Basic and diluted earnings per share</b>	2	<b>22.52p</b>	19.61p	107.05p

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

**Consolidated statement of comprehensive income**

**For the six months ended 30th June 2016**

	<b>Unaudited 6 months to 30th June 2016 £</b>	Unaudited 6 months to 30th June 2015 £	Audited year to 31st December 2015 £
Profit for the period	<b>324,287</b>	282,342	1,541,534
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net pension remeasurement gain on post employment benefits	-	-	10,000
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign exchange losses on re-translation of overseas operations	<b>(151,517)</b>	(167,627)	(146,822)
Other comprehensive income for the period	<b>(151,517)</b>	(167,627)	(136,822)
<b>Total comprehensive income for the period</b>	<b>172,770</b>	114,715	1,404,712
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	<b>233,004</b>	138,019	1,447,926
Non-controlling interests	<b>(60,234)</b>	(23,304)	(43,214)
	<b>172,770</b>	114,715	1,404,712

The foreign currency movements arise on the re-translation of overseas subsidiaries' opening balance sheets at closing rates.

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

Consolidated balance sheet

At 30th June 2016

	Unaudited 6 months to 30th June 2016 £	Unaudited 6 months to 30th June 2015 £	Audited year to 31 <sup>st</sup> December 2015 £
<b>Non-current assets</b>			
Property, plant and equipment	5,285,297	4,414,976	4,677,456
Goodwill	12,270	12,270	12,270
Financial assets	26,180	77,096	51,877
<b>Total non-current assets</b>	<b>5,323,747</b>	<b>4,504,342</b>	<b>4,741,603</b>
<b>Current assets</b>			
Inventories	5,887,955	5,218,773	5,719,654
Trade and other receivables	5,712,176	5,028,829	5,005,099
Financial assets	50,918	49,056	57,777
Cash and cash equivalents	1,243,172	801,577	931,018
<b>Total current assets</b>	<b>12,894,221</b>	<b>11,098,235</b>	<b>11,713,548</b>
<b>Total assets</b>	<b>18,217,968</b>	<b>15,602,577</b>	<b>16,455,151</b>
<b>Current liabilities</b>			
Bank overdraft	(1,517,675)	(1,094,170)	(615,038)
Trade and other payables	(4,173,632)	(4,178,533)	(4,053,220)
Other financial liabilities	(1,981,539)	(1,278,021)	(1,498,171)
Corporation tax liability	(177,586)	(37,867)	(66,854)
<b>Total current liabilities</b>	<b>(7,850,432)</b>	<b>(6,588,591)</b>	<b>(6,233,283)</b>
<b>Non-current liabilities</b>			
Financial liabilities	(1,425,702)	(1,442,491)	(1,363,524)
Deferred income tax liability	(230,235)	(191,623)	(230,235)
<b>Total non-current liabilities</b>	<b>(1,655,937)</b>	<b>(1,634,114)</b>	<b>(1,593,759)</b>
<b>Total liabilities</b>	<b>(9,506,369)</b>	<b>(8,222,705)</b>	<b>(7,827,042)</b>
<b>Total net assets</b>	<b>8,711,599</b>	<b>7,379,872</b>	<b>8,628,109</b>
<b>Capital and reserves</b>			
Share capital	360,000	360,000	360,000
Capital reserve	257,319	257,319	257,319
Foreign exchange reserve	(210,098)	(79,386)	(58,581)
Retained earnings	8,489,708	6,947,125	8,194,467
<b>Total equity attributable to the shareholders of the parent</b>	<b>8,896,929</b>	<b>7,485,058</b>	<b>8,753,205</b>
Non-controlling interests	(185,330)	(105,186)	(125,096)
<b>Total equity</b>	<b>8,711,599</b>	<b>7,379,872</b>	<b>8,628,109</b>

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

**Consolidated cash flow statement**

**For the six months ended 30th June 2016**

	Note	Unaudited 6 months to 30th June 2016 £	Unaudited 6 months to 30th June 2015 £	Audited year to 31st December 2015 £
<b>Operating activities</b>				
Net profit		324,287	282,342	1,541,534
Adjustments for:				
Depreciation		390,290	342,441	758,589
Grants amortised		(6,568)	(828)	(1,656)
Foreign exchange losses		(151,517)	(163,125)	(146,677)
Finance income		(580)	(5,870)	(11,726)
Finance expense		64,523	53,505	116,830
Gain on sale of plant, machinery and motor vehicles		-	(14,750)	(1,158,140)
Adjustment in respect of defined benefit scheme		-	-	13,000
Income tax expense		139,289	123,833	408,937
Income taxes paid		(28,557)	(273,020)	(490,525)
<b>Operating activities before changes in working capital and provisions</b>		<b>731,167</b>	<b>344,528</b>	<b>1,030,166</b>
Increase in trade and other receivables		(707,077)	(117,721)	(93,991)
Increase in inventories		(168,301)	(330,590)	(831,471)
Increase in trade and other payables		444,450	276,825	329,488
		(430,928)	(171,486)	(595,974)
<b>Cash generated from operations</b>		<b>300,239</b>	<b>173,042</b>	<b>434,192</b>
<b>Investing activities</b>				
Purchases of property, plant, machinery and motor vehicles		(657,387)	(536,905)	(1,010,401)
Sale of plant, machinery and motor vehicles		-	14,750	1,190,561
Interest received		580	5,870	8,726
		(656,807)	(516,285)	188,886
<b>Financing activities</b>				
Proceeds from long term borrowings		-	425,000	300,000
Loan financing repaid		32,556	73,848	90,346
Repayment of borrowings		(35,464)	(99,351)	(171,020)
Repayment of hire purchase creditors		(77,204)	(57,843)	(130,335)
Interest paid		(64,523)	(53,505)	(116,830)
Dividend paid		(89,280)	(89,280)	(131,040)
		(233,915)	198,869	(158,879)
Decrease in cash and cash equivalents		(590,483)	(144,374)	464,199
Cash and cash equivalents, beginning of period		315,980	(148,219)	(148,219)
<b>Cash and cash equivalents (including overdrafts), end of period</b>	<b>3</b>	<b>(274,503)</b>	<b>(292,593)</b>	<b>315,980</b>

**T.F. & J.H. Braime (Holdings) P.L.C.****Consolidated statement of changes in equity****For the six months ended 30th June 2016**

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	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Minority Interests £	Total Equity £
Balance at 1st January 2016	360,000	257,319	(58,581)	8,194,467	8,753,205	(125,096)	8,628,109
<b>Comprehensive income</b>							
Profit	-	-	-	384,521	384,521	(60,234)	324,287
<b>Other comprehensive income</b>							
Foreign exchange losses on re- translation of overseas operations	-	-	(151,517)	-	(151,517)	-	(151,517)
Total other comprehensive income	-	-	(151,517)	-	(151,517)	-	(151,517)
Total comprehensive income	-	-	(151,517)	384,521	233,004	(60,234)	172,770
<b>Transactions with owners</b>							
Dividends	-	-	-	(89,280)	(89,280)	-	(89,280)
Total transactions with owners	-	-	-	(89,280)	(89,280)	-	(89,280)
Balance at 30th June 2016	360,000	257,319	(210,098)	8,489,708	8,896,929	(185,330)	8,711,599

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

Consolidated statement of changes in equity

For the six months ended 30th June 2016

	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
<b>Comprehensive income</b>							
Profit	-	-	-	305,646	305,646	(23,304)	282,342
<b>Other comprehensive income</b>							
Foreign exchange losses on re- translation of overseas operations	-	-	(167,627)	-	(167,627)	-	(167,627)
Total other comprehensive income	-	-	(167,627)	-	(167,627)	-	(167,627)
Total comprehensive income	-	-	(167,627)	305,646	138,019	(23,304)	114,715
Transactions with owners							
Dividends	-	-	-	(89,280)	(89,280)	-	(89,280)
Total transactions with owners	-	-	-	(89,280)	(89,280)	-	(89,280)
Balance at 30th June 2015	360,000	257,319	(79,386)	6,947,125	7,485,058	(105,186)	7,379,872

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

Consolidated statement of changes in equity - continued

For the six months ended 30th June 2016

	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
<b>Comprehensive income</b>							
Profit	-	-	-	1,584,748	1,584,748	(43,214)	1,541,534
<b>Other comprehensive income</b>							
Net pension remeasurement gain recognised directly in equity	-	-	-	10,000	10,000	-	10,000
Foreign exchange losses on re- translation of overseas 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	1,447,916	(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

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

## Notes to the interim financial report

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### 1. Accounting policies

#### Basis of preparation

The interim financial report has been prepared using accounting policies that are consistent with those used in the preparation of the full financial statements to 31st December 2015 and those which management expects to apply in the group's full financial statements to 31st December 2016.

This interim financial report is unaudited. The comparative financial information set out in this interim financial report does not constitute the group's statutory accounts for the period ended 31st December 2015 but is derived from the accounts. Statutory accounts for the period ended 31st December 2015 have been delivered to the Registrar of Companies. The auditors have reported on those accounts. Their audit report was unqualified and did not contain any statements under Section 498 of the Companies Act 2006.

The group's condensed interim financial information has been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted for the use in the European Union and in accordance with IAS 34 'Interim Financial Reporting' and the accounting policies included in the Annual Report for the year ended 31st December 2015, which have been applied consistently throughout the current and preceding periods.

### 2. Earnings per share and dividends

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

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

	6 months to 30th June 2016 £
<b>Dividends paid</b>	
Equity shares	
Ordinary shares	
Interim of 6.20p per share paid on 12th May 2016	29,760
'A' Ordinary shares	
Interim of 6.20p per share paid on 12th May 2016	59,520
<b>Total dividends paid</b>	<b>89,280</b>
	Year to 31st December 2015 £
<b>Dividends paid</b>	
Equity shares	
Ordinary shares	
Interim of 6.20p per share paid on 2nd April 2015	29,760
Interim of 2.90p per share paid on 18th October 2015	13,920
	43,680
'A' Ordinary shares	
Interim of 6.20p per share paid on 2nd April 2015	59,520
Interim of 2.90p per share paid on 18th October 2015	27,840
	87,360
<b>Total dividends paid</b>	<b>131,040</b>

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

Notes to the interim financial report – continued

3. Cash and cash equivalents

	Unaudited 6 months to 30th June 2016 £	Unaudited 6 months to 30th June 2015 £	Audited year to 31st December 2015 £
Cash at bank and in hand	1,243,172	801,577	931,018
Bank overdrafts	(1,517,675)	(1,094,170)	(615,038)
	<b>(274,503)</b>	<b>(292,593)</b>	<b>315,980</b>

4. Segmental information

	Unaudited 6 months to 30th June 2016			
	Central £	Manufacturing £	Distribution £	Total £
<b>Revenue</b>				
External	-	1,793,834	11,825,174	13,619,008
Inter company	111,138	1,036,547	1,785,464	2,933,149
<b>Total</b>	<b>111,138</b>	<b>2,830,381</b>	<b>13,610,638</b>	<b>16,552,157</b>
<b>Profit</b>				
EBITDA	42,855	(219,819)	1,094,773	917,809
Finance costs	(27,760)	(17,133)	(19,630)	(64,523)
Finance income	-	267	313	580
Depreciation	(35,765)	(176,568)	(177,957)	(390,290)
Tax expense	(13,072)	-	(126,217)	(139,289)
<b>(Loss)/profit for the period</b>	<b>(33,742)</b>	<b>(413,253)</b>	<b>771,282</b>	<b>324,287</b>
<b>Assets</b>				
Total assets	4,489,887	2,163,769	11,564,312	18,217,968
Additions to non current assets	-	754,777	243,354	998,131
<b>Liabilities</b>				
Total liabilities	1,352,359	2,906,318	5,247,692	9,506,369

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

Notes to the interim financial report – continued

4. Segmental information - continued

	Unaudited 6 months to 30th June 2015			
	Central £	Manufacturing £	Distribution £	Total £
Revenue				
External	-	2,023,371	11,463,804	13,487,175
Inter company	60,816	1,361,871	1,636,148	3,058,835
<b>Total</b>	<b>60,816</b>	<b>3,385,242</b>	<b>13,099,952</b>	<b>16,546,010</b>
Profit				
EBITDA	(947)	(203,828)	1,001,026	796,251
Finance costs	(19,246)	(15,102)	(19,157)	(53,505)
Finance income	-	355	5,515	5,870
Depreciation	(3,150)	(186,192)	(153,099)	(342,441)
Tax expense	(21,290)	-	(102,543)	(123,833)
<b>(Loss)/profit for the period</b>	<b>(44,633)</b>	<b>(404,767)</b>	<b>731,742</b>	<b>282,342</b>
Assets				
Total assets	1,328,215	4,210,758	10,063,604	15,602,577
Additions to non current assets	-	643,810	68,095	711,905
Liabilities				
Total liabilities	902,879	3,015,903	4,303,922	8,222,704
	Audited year to 31st December 2015			
	Central £	Manufacturing £	Distribution £	Total £
<b>Revenue</b>				
External	-	3,955,447	22,514,637	26,470,084
Inter company	122,593	3,267,777	4,411,488	7,801,858
<b>Total</b>	<b>122,593</b>	<b>7,223,224</b>	<b>26,926,125</b>	<b>34,271,942</b>
<b>Profit</b>				
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)
<b>(Loss)/profit for the period</b>	<b>(195,027)</b>	<b>725,991</b>	<b>1,010,570</b>	<b>1,541,534</b>
<b>Assets</b>				
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
<b>Liabilities</b>				
Total liabilities	701,606	2,839,750	4,285,686	7,827,042

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

### **Contact details**

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