H88001.

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

Report & Accounts 2010

Contents

Directors	O N A Braime, MA (Oxon) M B I M (Chairman) D H Brown, FCA P J O Alcock B Eng (Non executive director) A W Walker MA, (Cantab) (Non-executive director) A Q Braime ACA, BA (Hons) C O Braime BSc MA
Secretary	D H Brown FCA
Registered office	Hunslet Road, Leeds LS10 1JZ
Independent auditors	Kirk Newsholme Chartered Accountants and Registered Auditors 4315 Park Approach Thorpe Park Leeds, LS15 8GB
Bankers	National Westminster Bank PLC 8 Park Row, Leeds, LS1 1QS
Stockbrokers	W H Ireland Zurich House Canal Wharf Leeds, LS11 5DB
Company registration number	488001 (England and Wales)

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

Notice of meeting

Notice is hereby given that the SIXTY FIRST Annual General Meeting of the members of T F & J H BRAIME (HOLDINGS) P L C will be held at the registered office of the company, Hunslet Road, Leeds, LS10 1JZ on Thursday 19th May 2011 at 11 45am

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 2010 and the report of the auditors thereon

2 To confirm dividends

3 To re elect directors

4 To re-appoint the auditors Kirk Newsholme

5 To authorise the directors to fix the remuneration of the auditors

6 To transact any other business which may be transacted at this meeting

By order of the board,
D H Brown Secretary
Hunslet Road Leeds, LS10 1JZ

30th March 2011

NOTES

1 A member entitled to vote at the meeting is entitled to appoint a proxy to attend and vote in his stead A proxy need not also be a member of the company

2 In accordance with the company s articles of association holders of the Cumulative Preference shares are not entitled to attend or vote at this meeting

3 There will be available for inspection at the registered office during the company s usual business hours (Saturday excepted) 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 2010 of all transactions of each director and so far as he can reasonably ascertain of his family interests in the Ordinary shares of the company

4 There were no contracts of service in respect of the executive directors who were employed by the company as at 31st December 2010 P J O Alcock s service contract expired on 10th January 2011 and was renewed for a further twelve months

5 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM 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

Notice of meeting continued

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 30am on 17th May 2011 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

Chairman's statement

Performance of group companies

The group continued to make good progress in 2010

Over 80% of group sales are made in overseas markets which have been less affected than the UK by the current recession Many of the sales are to food related industries where there is still strong growth We have also continued to benefit from largely favourable exchange rates

Sales revenue increased by 15% to £18 10m from £15 70m Pre tax profit rose to £1 36m from £0 62m and the profit after tax for 2010 was £945 000 compared to £337 000 in 2009

In view of the above excellent result, the directors have already announced a second interim dividend of 4 80p to be paid on 1st April 2011 making a total for the tax year ending 5th April 2011 of 7 20p (compared to 4 50p in the previous year) As last year a final dividend will not be paid

Manufacturing of deep drawn pressings (Braime Pressings Limited)

Following the restructuring of this business, the level of loss made by our manufacturing business was reduced compared to 2009 but this reduction was much less than had been forecast

During 2010 we were successful in improving the efficiency of the investment in the machinery producing existing work and significant improvements were made to the infrastructure and environment of the business

However despite the enormous efforts of our staff, we were unable to bring on stream in 2010 the two major new contracts which were critical to achieving our anticipated improvement In addition to losing the expected contribution from this new work we also had to absorb much higher than expected costs in modifying and commissioning the complex plant required to run the new work The result for 2010 was also badly affected by an unexpectedly large increase in material costs which we were unable to pass on to our customers until 2011

The first of the new contracts finally came on stream successfully at the end of January 2011 We are currently in the midst of final trials for the second contract and expect this to be launched in the second quarter of this year We have also secured additional volume for one of our existing product lines

We are therefore hopeful in 2011, of achieving the substantial progress that we had forecast for 2010

Distribution of components, under our 4B brand, to the bulk material handling industry

All of our subsidiaries distributing globally our brand of 4B material handling components again enjoyed record years and the performance of 4B Elevator Components Limited in the USA was particularly strong

The company continues to invest in developing both the diversity of our product range and in our distribution network Specifically, in December 2010, we set up a new subsidiary, 4B Australia Pty Limited based in Brisbane Two weeks later our premises were flooded! However once having overcome this inauspicious start, we are showing signs of early progress

We are seeing a very positive start to 2011 although sales to some markets remain affected by the recession

Our main concerns in 2011 are the impact of the current political turbulence on our markets in the Middle East, the effect of the recent tragic natural disasters in both Australia and Japan and surging commodity prices, caused by the scale of the relatively new phenomenon of global speculation in commodities The price of our key raw materials, steel, plastics and rubber have already increased by between 10% and 30% in just the first three months Increases of this magnitude are hard to manage and difficult to pass on in a timely manner, they tie up cash in higher stock costs and create great uncertainty for both ourselves and our customers

Chairman's statement continued

Investment

In 2010 the group invested £263 000 in plant and equipment Of this, £53,000 was financed by hire purchase agreements, £35 000 financed through the sale of surplus plant and the balance of £175,000 was financed from funds generated internally

At the year end the company had committed to a further capital investment of £140,000 and since the start of the new financial year, the company has placed orders for further investments totalling £232 000 All of these capital investments are being financed by hire purchase agreements

Cash flow and debt

Although the company generated substantial funds as a result of the large improvement in profitability, the cash flow position for the year was negative by £87,728

In addition to the £175 000 used for capital investments a further £178,000 was required to finance the higher volume of business activity being the difference between the amounts owed to us by customers and the amount owed to our suppliers

However, the major reason for the net outflow of funds was an increase in stocks of £732,000 Some of this increase can be justified by exceptional circumstances as we built up stocks to allow for the installation of new plant, and as we purchased forward in anticipation of the increases in raw materials But, the steep rise in stocks is of concern and strenuous efforts are being made to reverse this trend

Staff

Our most important resource is our staff and we thank them for their continuing effort and support to overcome the constant challenges we face as we try to implement major changes and improvements throughout the group

Board appointments

I am delighted to announce the appointment to the board of my two sons, Carl and Alan as Group Sales Director and Group Commercial Director respectively

The appointments made on 13th August 2010 will be subject to their election at the AGM

Carl Braime gained a BSc at London University and an MA at Bristol University, before working in South America for three years becoming fluent in Spanish Since June 2006 Carl has been Sales Manager for Braime Elevator Components Limited, further developing our overseas distribution He is currently completing the final year of an Executive MBA at Leeds University

Alan Braime graduated from Newcastle with a 1st in Economics and qualified as a chartered accountant with KPMG in September 2006 prior to joining the business Alan has played an important role in developing the strategy for the restructuring of our manufacturing business and is currently leading a project looking at the business systems across the group

Both appointments will bring fresh ideas and new energy to the board, which are essential for the continuing development of the business

Outlook

The new work coming on stream in Braime Pressings Limited should result in an improvement in its' financial performance but the outcome remains dependent on our ability to successfully complete the launch of these contracts and to make the necessary improvements in the operating efficiency of our new plant

The 4B division has started the year very positively but we are concerned about the impact of the current levels of instability, particularly related to commodity prices which threaten margins and jeopardise business confidence among customers In this uncertain climate, it will be a challenge to hang on to the gains of the previous two years

Nevertheless we believe overall that we can maintain the improvement in the performance of the group albeit at a much slower rate

O. N A. Braime
30th March 2011

Directors' report

The directors present their annual report and financial statements for the year ended 31st December 2010

ACTIVITIES

The principal activities of the group are the manufacture of metal presswork and the distribution of bulk material handling components trading from locations in Australia, England, France, South Africa, Thailand and the United States

The principal activity of the company is that of a holding company and a lessor of land and buildings to group companies

REVIEW OF THE BUSINESS

A summary of the results of the year's trading is given on page 18 of the accounts The chairman's statement on pages 6 and 7 reviews the development of the business and is adopted as part of this report

Principal risks and uncertainties

The market for subcontract metal presswork remains difficult as the manufacturing sector in this country reduces in size The obtaining of ISO9002 has opened doors that previously were closed Long term agreements are made with major customers Rising steel prices have been a problem over the last few years However with the new larger customers materials are supplied either free issue or the price of the material is negotiated by the customer which reduces potential risk to the company

The elevator components companies now trade in six countries and each export to other countries Whilst there is considerable price competition in the market the companies maintain their competitive edge by providing engineering expertise In addition ranges of ancillary products which provide higher margins, are sold into different industries These products often related to safety are developed and improved on a regular basis

The steps that the group take to protect itself in terms of credit risk, currency fluctuation and financial facility are contained in note 15

Key performance indicators

Turnover and product profit margins are reviewed on a monthly basis Stock levels are reviewed monthly and slow moving stock on a quarterly basis The group has performed to the expected level and is discussed in further detail in the chairman's statement

Environment

The group's policy with regard to the environment is that we understand and effectively manage the actual and potential environmental impact of our activities Our operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business During the period of this report the group have not incurred any fines or penalties or been investigated for any breach of environmental regulations

Employees

The quality and commitment of our people have 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

RESULTS AND DIVIDENDS

The profit for the year after taxation and transferred to reserves was £945 138 (2009 – £387,087)
No dividend is to be proposed at the Annual General Meeting

Directors' report continued

DIRECTORS

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

	31st December 2010	1st January 2010
O N A Braime		
Preference shares	**100**	100
Ordinary shares	**143,400**	143,400
A Ordinary shares	**3,900**	3 900
D H Brown		
Preference shares	**100**	100
Ordinary shares	**100**	100
P J O Alcock		
Ordinary shares	**1,000**	1,000
A Ordinary shares	**5,000**	5,000
A W Walker		
Ordinary shares	**100**	-
'A Ordinary shares	**300**	-
A Q Braime		
Ordinary shares	**35,175**	-
C O Braime		
Ordinary shares	**35,175**	-

In accordance with the company's articles of association P J O Alcock retires by rotation and, being eligible offers himself for re-election A Q Braime and C O Braime were appointed to the board on 13th August 2010 and having been appointed since the last Annual General Meeting, also offer themselves for election

A W Walker was appointed as a non executive director on a three year contract on 30th March 2010 being after the balance sheet date but prior to the approval of the financial statements A W Walker has forty years experience as a corporate finance lawyer

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

Directors' report continued

SUBSTANTIAL SHAREHOLDINGS

The company has been notified that as at 30th March 2011 apart from the directors only the following persons are beneficially interested in more than 3% of the Ordinary shares of the company

	Ordinary shares held	Percentage
Redmayne Nominees Limited A/C ILT2008L	73 500	15 31
Ferlim Nominees Limited Des POOLED	46,883	9 77
Mrs P V Smith	27,500	5 73
Mrs L V Deacon	24 000	5 00
Mr M C J Barnes	16,555	3 45

Directors' report continued

CORPORATE GOVERNANCE

As an AIM listed group T F & J H Braime (Holdings) P L C is not required to comply with the Combined Code 2008 However the group applies those principles of good governance it believes appropriate to a group of this size

INTERNAL CONTROLS

The board is responsible for maintaining an adequate system of internal control to safeguard shareholders investment and the group s and for reviewing its effectiveness 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

GOING CONCERN

The group s business activities together with the factors likely to affect its future development, performance and position are set out in the chairman s statement on pages 6 to 7 The financial position of the group, its cash flows liquidity position and borrowing facilities are described in the chairman s statement on pages 6 to 7 In addition note 15 to the financial statements includes the group's objectives policies and processes for managing its capital, its financial risk management objectives details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk

Current economic conditions create uncertainty over the level of demand for the group s products and services The exchange rate between sterling the US dollar and the euro provides further uncertainty

The group currently has adequate financial resources together with contracts with a number of customers and suppliers across different geographic areas and industries The group s forecasts and projections taking account of reasonably possible changes in trading performance show that there is not a substantial count that the group should 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 European Union 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 IFRSs as adopted by the European Union have been followed 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

Directors' report continued

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 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 has taken all the steps that he ought to have taken as a director in order to make himself 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.

RESEARCH AND DEVELOPMENT

The group continues to invest in research and development. This has resulted in improvements in the products which will benefit the group in the medium to long term.

SUBSCRIPTIONS AND DONATIONS

Charitable donations amounting to £2,185 (2009 - £1,282) were paid during the year. There were no donations to political organisations.

LAND AND BUILDINGS

The directors are of the opinion that the market value of the group's interests in land and buildings substantially exceeds its book value of £487,000. The directors believe that the value of those properties in current condition and for similar use could exceed £2m.

PAYMENT TO SUPPLIERS

It is the company's policy to agree terms of payment with its suppliers when agreeing the terms of a business transaction or transactions. All suppliers are aware of this procedure and the company abides by the agreed payment terms subject to the terms and conditions being met by the supplier.

Wherever possible UK subsidiaries follow the same policy and overseas subsidiaries are encouraged to adopt similar policies, by applying local best practices.

The number of days' purchases outstanding at the end of the financial year calculated in accordance with the statutory instrument, for the group is 44 days (2009 – 58 days). The calculation does not however take into account the fact that the year end position is not representative of the level of trading throughout the year. The calculation is not applicable to the holding company.

FINANCIAL INSTRUMENTS

The group's policy relating to the use of financial instruments is disclosed in note 15 to the accounts.

AUDITORS

A resolution proposing Kirk Newsholme be re appointed as auditors of the company will be put to the Annual General Meeting.

By order of the board
D H Brown, Secretary

30th March 2011

Directors' remuneration report

INFORMATION NOT SUBJECT TO AUDIT

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

Executive directors' pay is subject to the decision of the whole board and not of a separate remuneration committee The directors believe that this is adequate for a group of this size

Statement of company's policy on director's 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 remuneration that are pensionable are salary and bonuses

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

Service contracts

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

Mr P J O Alcock's service contract as a non executive director expires annually on 10th January The renewal of this contract is subject to approval of the whole board and has been approved for a further twelve months to 10th January 2012 The remaining term of the contract will be payable on its early termination

Directors' remuneration report continued

INFORMATION SUBJECT TO AUDIT

Directors' remuneration

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

	Fees	Salary	Estimated taxable value of benefits in kind	**Total 2010**	Total 2009	Pension contributions **2010**	Pension contributions 2009
	£	£	£	**£**	£	**£**	£
Executive directors							
O N A Braime	150	131 493	2 117	**133,760**	127 878	**2,236**	2,236
D H Brown	150	84 952	2 288	**87,390**	83 252	**1,169**	1,169
A Q Braime	50	23 460	136	**23,646**	-	**1,688**	-
(O Braime	50	21 391	1,663	**23,104**	-	**1,688**	-
Non-executive director							
P J O Alcock	12 500	-		**12,500**	11 000	-	
A W Walker	9,375	-	-	**9,375**	-	-	-
	22 275	261 296	6 204	**289,775**	222 130	**6,781**	3 405
Paid by the company	22 075			**22,075**	11 100		

The estimated taxable value of benefits in kind includes private medical cover. Pension contributions represent amounts paid to defined contribution pension schemes.

Directors' remuneration report continued

Pension benefits

Benefits under the defined benefits scheme are as follows

	Accrued benefit	Increase in accrued benefit	Increase in accrued benefit (excluding inflation)	Transfer value (less directors contributions) of the increase in accrued benefit
	£	£	£	£
O N A Braime	49 871	5 386	6,724	133 101
D H Brown	30,829	3 002	3,839	75 756
	80,700	8 388	10 563	208,857

	Transfer value of accrued benefit 2010	Transfer value of accrued benefit 2009	Increase in the transfer value of the accrued benefit (less directors' contributions)
	£	£	£
O N A Braime	1 220,391	1 032,388	188,003
D H Brown	767,754	662 509	105 245
	1,988,145	1 694 897	293 248

Since October 2008 transfer values are no longer calculated in accordance with actuarial guidance (GN11) The trustees are now required to set the assumptions on which transfer values are based The trustees have adopted a new method proposed by the scheme actuary which complies with the new regulations There were no other changes in benefits during the year

Approval

The directors remuneration report was approved by the board on 30th March 2011

O N A Braime, Director

Independent auditors' report

TO THE SHAREHOLDERS OF T F & J H BRAIME (HOLDINGS) P L C

We have audited the financial statements of T F & J H Braime (Holdings) P L C for the year ended 31st December 2010 which comprise the consolidated income statement, the consolidated statement of comprehensive income the consolidated and parent company balance sheets the consolidated cash flow statement, the consolidated statement of changes in equity and the related notes The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 (United Kingdom Generally Accepted Accounting Practice)

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 an auditor s report 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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors responsibilities set out on pages 11 and 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the group s and of the parent company's affairs as at 31st December 2010 and of the group s profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006, and, as regards the group financial statements Article 4 of the IAS regulation

Opinion on other matters prescribed by the Companies Act 2006

In our opinion

- the information given in the directors report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following

Under the Companies Act 2006 we are required 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 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

Other matters

The company voluntarily prepares a directors remuneration report in accordance with the provisions of the Companies Act 2006 The directors have requested that we audit the part of the directors remuneration report specified by the Companies Act 2006 to be audited as if the company were a listed company In our opinion the part of the directors remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006

Neill Rayland (Senior Statutory Auditor),
for and on behalf of **Kirk Newsholme**,
Chartered Accountants and Statutory Auditors
4315 Park Approach,
Thorpe Park,
Leeds,
LS15 8GB

30th March 2011

Consolidated income statement

for the year ended 31st December 2010

	Note	2010 £	2009 £
Revenue		**18,057,661**	15 685,218
Changes in inventories of finished goods and work in progress		**647,108**	(406,362)
Raw materials and consumables used		**(10,358,951)**	(8 156,328)
Employee benefits costs	6	**(3,841,811)**	(3,685 404)
Depreciation expense		**(286,938)**	(302 865)
Other expenses		**(2,804,022)**	(2 434,978)
Profit from operations	2	**1,413,047**	699 281
Finance costs	4	**(302,445)**	(285,338)
Finance income	4	**250,776**	211,049
Profit before tax		**1,361,378**	624 992
Tax expense	5	**(416,240)**	(237,905)
Profit for the year attributable to equity shareholders of the parent company		**945,138**	387 087
Basic and diluted earnings per share	16	**65 63p**	26 88p

Consolidated statement of comprehensive income

for the year ended 31st December 2010

	Note	2010 £	2009 £
Profit for the year		**945,138**	387,087
Actuarial (losses)/gains recognised directly in equity	17	**(168,000)**	76 000
Foreign exchange losses on re-translation of overseas operations		**(33,254)**	(107,605)
Adjustment in respect of minimum funding requirement per IFRIC14	17	**137,000**	(149,000)
Other comprehensive income for the year		**(64,254)**	(180,605)
Total comprehensive income for the year		**880,884**	206 482

The foreign currency movements arise on the re translation of overseas subsidiaries opening balance sheets at closing rates and reflect the strengthening of the pound against the euro in 2009 and the relative weakening of the pound against the dollar in 2010

Following the change in IAS19 implemented as a consequence of a European Directive and first adopted in respect to the financial statements to 31st December 2009 the pension scheme asset can no longer be recognised

The notes on pages 22 to 48 form part of these financial statements

Consolidated balance sheet
at 31st December 2010

	Note	2010	2010	2009	2009
		£	£	£	£
Assets					
Non-current assets					
Property plant and equipment	7	1,223,980		1,249 460	
Goodwill		12,270		12 270	
Employee benefits	17	-		-	
Total non-current assets			1,236,250		1 261,730
Current assets					
Inventories	9	3,593,680		2 862,149	
Trade and other receivables	10	3,291,602		2,400 384	
Cash and cash equivalents		1,844,934		1,947 207	
Total current assets			8,730,216		7,209,740
Total assets			9,966,466		8 471 470
Liabilities					
Current liabilities					
Bank overdraft		1,145,421		1,159,966	
Trade and other payables	11	2,707,169		2,019 053	
Other financial liabilities	12	291,553		344 339	
Corporation tax liability		171,054		-	
Total current liabilities			4,315,197		3 523,358
Non-current liabilities					
Financial liabilities	13	389,012		488 979	
Total non-current liabilities			389,012		488 979
Total liabilities			4,704,209		4 012,337
Total net assets			5 262,257		4 459,133
Capital and reserves attributable to equity holders of the parent company					
Share capital	14		360,000		360,000
Capital reserve			77,319		77,319
Foreign exchange reserve			286,292		319 546
Retained earnings			4,538,646		3 702,268
Total equity			5,262,257		4 459 133

The financial statements on pages 18 to 48 were approved and authorised for issue by the board of directors on 30th March 2011 and were signed on its behalf by

O N A Braime, Director

D H Brown Director

Company Registration Number 488001

The notes on pages 22 to 48 form part of these financial statements

Consolidated cash flow statement

for the year ended 31st December 2010

	Note	2010	2010	2009	2009
		£	**£**	£	£
Operating activities					
Net profit			**945,138**		387,087
Adjustments for					
Depreciation		**286,938**		302,865	
Grants amortised		**(1,656)**		(1,656)	
Foreign exchange losses		**(37,785)**		(119,426)	
Investment income		**(250,776)**		(211,049)	
Interest expense		**302,445**		285,338	
Gain on sale of plant machinery and motor vehicles		**(35,357)**		(8,748)	
Adjustment in respect of defined benefits scheme		**(22,000)**		57,000	
Income tax expense		**416,240**		237,905	
			658,049		542,229
Operating profit before changes in working capital and provisions			**1,603,187**		929,316
(Increase)/decrease in trade and other receivables		**(891,218)**		243,991	
(Increase)/decrease in inventories		**(731,531)**		481,862	
Increase in trade and other payables		**713,331**		89,643	
			(909,418)		815,496
Cash generated from operations			**693,769**		1,744,812
Income taxes paid			**(270,401)**		(375,533)
Investing activities					
Purchases of property, plant, machinery and motor vehicles		**(210,154)**		(326,902)	
Sale of plant machinery and motor vehicles		**35,358**		8,750	
Interest received		**4,776**		11,049	
			(170,020)		(307,103)
Financing activities					
Repayment of hire purchase creditors		**(197,871)**		(124,157)	
Interest paid		**(65,445)**		(75,338)	
Dividends paid		**(77,760)**		(43,200)	
			(341,076)		(242,695)
(Decrease)/increase in cash and cash equivalents			**(87,728)**		819,481
Cash and cash equivalents beginning of period			**787,241**		(32,240)
Cash and cash equivalents, end of period	19		**699,513**		787,241

The notes on pages 22 to 48 form part of these financial statements

Consolidated statement of changes in equity for the year ended 31st December 2010

	Note	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £
Balance at 1st January 2009		360,000	77 319	427 151	3,431 38'	4 295,851
Comprehensive income						
Profit		-	-	-	387 087	387,087
Other comprehensive income						
Actuarial gains recognised directly in equity	17	-	-	-	76,000	76,000
Foreign exchange losses on re translation of overseas operations		-	-	(107,605)	-	(107,605)
Adjustment in respect of minimum funding requirement per IFRIC14	17	-	-	-	(149 000)	(149,000)
Total other comprehensive income		-	-	(107 605)	(73 000)	(180,605)
Total comprehensive income		-	-	(107,605)	314 087	206 482
Transactions with owners						
Dividends	16				(43 200)	(43,200)
Total transactions with owners		-	-	-	(43,200)	(43 200)
Balance at 1st January 2010		**360,000**	**77,319**	**319,546**	**3,702,268**	**4,459,133**
Comprehensive income						
Profit		-	-	-	**945,138**	**945,138**
Other comprehensive income						
Actuarial losses recognised directly in equity	17	-	-	-	**(168,000)**	**(168,000)**
Foreign exchange losses on re-translation of overseas operations		-	-	**(33,254)**	-	**(33,254)**
Adjustment in respect of minimum funding requirement per IFRIC14	17	-	-	-	**137,000**	**137,000**
Total other comprehensive income		-	-	**(33,254)**	**(31,000)**	**(64,254)**
Total comprehensive income		-	-	**(33,254)**	**914,138**	**880,884**
Transactions with owners						
Dividends	16	-	-	-	**(77,760)**	**(77,760)**
Total transactions with owners		-	-	-	**(77,760)**	**(77,760)**
Balance at 31st December 2010		**360,000**	**77,319**	**286,292**	**4,538,646**	**5,262,257**

The capital reserve arose on the listing of the company's shares on the London Stock Exchange 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 cumulated profits and losses of the group

There was no movement in the share capital of the company

Notes to the accounts

1 ACCOUNTING POLICIES

1.1 General company information

T F & J H Braime (Holdings) P L C ('the company') and its subsidiaries (together 'the group') manufacture metal presswork and handle the distribution of bulk material handling components through trading from locations in Australia, England, France, South Africa, Thailand 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 30th March 2011

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 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 under the historical cost convention

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 49 to 54

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

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

Retirement benefit obligations

The group operates a defined benefit arrangement (note 17) Asset valuations are based on the fair value of the assets The valuations 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

Inventory

Inventories are stated at the lower of cost and net realisable value The assessment of net realisable value requires forecasts of future demand and the selling prices of inventory

Notes to the accounts continued

1 4 Changes to accounting policy and disclosure

(a) New and amended standards adopted by the group

The group has adopted the following and amended IFRSs as of 1st January 2010

- IFRIC 17 Distribution of non-cash assets to owners' effective on or after 1st July 2009
- IFRIC 18, 'Transfers of assets from customers', effective for transfer of assets received on or after 1st July 2009
- IFRIC 9 Reassessment of embedded derivatives and IAS 39, Financial instruments Recognition and measurement', effective 1st July 2009
- IFRIC 16, Hedges of a net investment in a foreign operation' effective 1st July 2009
- IAS 1 (amendment), Presentation of financial statements effective 1st January 2010
- IAS 36 (amendment), 'Impairment of assets' effective 1st January 2010
- IFRS 2 (amendment) 'Group cash-settled share-based payment transactions, effective from 1st January 2010
- IFRS 5 (amendment) 'Non-current assets held for sale and discontinued operations' effective 1st January 2010
- IFRS 3 (revised), 'Business combinations', effective on or after 1st July 2009 and will be applied prospectively to all business combination from 1st January 2010
- IAS 27 (revised), 'Consolidated and separate financial statements', effective on or after 1st July 2009
- IAS 38 (amendment), 'Intangible assets' effective 1st July 2009

(b) New standards amendments and interpretations issued but not effective for the financial year beginning 1st January 2010 and not early adopted

- IFRS 9 'Financial instruments', issued in November 2009 The standard is not applicable until 1st January 2013 but is available for early adoption However the standard has not yet been endorsed by the EU
- IAS 24 (revised), 'Related party disclosures, issued in November 2009 IAS 24 (revised) is mandatory for periods beginning on or after 1st January 2011 Earlier application in whose or in part, is permitted However, the standard has not yet been endorsed by the EU
- IAS 32 (amendment), 'Classification of rights issues issued in October 2009 The amendment applied to annual periods beginning on or after 1st February 2010
- IFRIC 19 Extinguishing financial liabilities with equity instruments effective 1st July 2010
- IFRIC 14 Prepayments of a minimum funding requirement (amendment) The amendments are effective for annual periods beginning 1st January 2011

It is anticipated that the adoption of these Standards will not have a significant impact on the financial statements of the group except for additional disclosures and presentational requirements

1 5 Revenue

Revenue arises solely from sale of goods net of local taxes

Revenue is recognised when the risks and rewards of owning the goods have passed to the customer which is generally on delivery

Notes to the accounts continued

1.6 Basis of consolidation

Subsidiaries are all entities (including special purpose 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. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. 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 T F & J H Braime (Holdings) P L C 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.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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 acquireee 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 statement of comprehensive income.

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.

1.7 Foreign currency

T F & J H Braime (Holdings) P L C consolidated financial statements are presented in sterling (£), which is also the functional currency of the parent 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 the exchange rates prevailing at the dates of the transactions. Any differences arising from this procedure have been charged (credited) to the currency translation reserve in equity.

Notes to the accounts 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 debtors) but also incorporate other types of contractual monetary asset They are carried at 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

1 9 Financial liabilities

The group s financial liabilities include bank loans and overdrafts, trade and other payables finance leasing liabilities and irredeemable preference shares 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

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 profit or loss 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

Dividend distributions to shareholders are included in other short term financial liabilities' when the dividends are approved by the shareholders meeting

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

Notes to the accounts continued

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

Actuarial gains and losses are recognised immediately and in full in the statement of 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

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

If the group will not benefit from a scheme surplus in the form of refunds from the plan or reduced future contributions no asset resulting from the above policy is recognised

1 13 Leased assets

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the group (a 'finance lease') the asset is treated as if it had been purchased outright The amount initially recognised as an asset is the present value of the minimum lease payments payable over the term of the lease The corresponding lease commitment is shown as a liability Lease payments are analysed between capital and interest The interest element is charged to the consolidated income statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability The capital element reduces the balance owed to the lessor

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an operating lease'), the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term

The land and buildings elements of property leases are considered separately for the purposes of lease classification

1 14 Impairment of non-financial assets

The group s property plant and equipment are subject to impairment testing

For the purposes of assessing impairment assets are grouped at the lowest levels for which assets are tested individually for impairment and some are tested at cash-generating unit level

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

Notes to the accounts continued

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds it 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 Costs that are directly attributable to the development phase of new products are recognised as intangible assets provided they meet the following recognition requirements

- Demonstration of technical feasibility of the prospective product for internal use or sale
- The intangible asset will generate probable economic benefits through internal use or sale
- Sufficient technical, financial and other resources are available for completion
- The costs to be capitalised as an intangible asset can be reliably measured

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 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

Dividends on the 5% Cumulative Preference shares are treated as finance costs and are recognised on an accruals basis

Notes to the accounts continued

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 Freehold land is carried at acquisition cost and is not depreciated

The useful lives of property plant and equipment (other than freehold land) can be summarised as follows

- Land and buildings
  Nil
- Plant, machinery and motor vehicles
  4 - 5 years on a straight line basis

1 19 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 20 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 21 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

2 PROFIT FROM OPERATIONS

	Note	2010 £	2009 £
This has been arrived at after charging/(crediting):			
Staff costs	6	**3,841,811**	3,685,404
Depreciation	7	**286,938**	302,865
Foreign exchange differences		**(36,251)**	35,898
Research and development costs		**279,840**	195,821
(Write-back)/write-down of inventory to net realisable value		**(34,443)**	163,686
Fees payable to the company's auditor for the audit of the company's annual accounts		**5,000**	5,000
The audit of the company's subsidiaries, pursuant to legislation		**23,000**	23,000
Other services pursuant to legislation		**500**	-
Profit on disposal of fixed assets		**(35,356)**	(8,748)

Notes to the accounts continued

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 2010

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 distribution of bulk material handling components

	Central 2010 £	Manufacturing 2010 £	Distribution 2010 £	Total 2010 £
Revenue				
External	-	2,126,262	15,931,399	18,057,661
Inter company	64,743	2,787,705	1,606,740	4,459,188
Total	64,743	4,913,967	17,538,139	22,516,849
Profit				
EBITDA	(15,617)	125,391	1,590,211	1,699,985
Finance costs	(14,493)	(267,354)	(20,598)	(302,445)
Finance income	1,719	248,699	358	250,776
Depreciation	-	(249,366)	(37,572)	(286,938)
Tax expense	(21,450)	5,545	(400,335)	(416,240)
(Loss)/profit for the period	(49,841)	(137,085)	1,132,064	945,138
Assets				
Total assets	766,618	2,846,980	6,352,868	9,966,466
Additions to non current assets	-	199,946	63,258	263,204
Liabilities				
Total liabilities	480,636	2,063,659	2,159,914	4,704,209

Notes to the accounts continued

	Central 2009 £	Manufacturing 2009 £	Distribution 2009 £	Total 2009 £
Revenue				
External	-	2,474 259	13 210,959	15,685 218
Inter company	59 770	1,982 160	1,423 421	3 465,351
Total	59 770	4,456 419	14,634 380	19 150,569
Profit				
EBITDA	(15,460)	(211,880)	1,229,486	1,002 146
Finance costs	(13 947)	(250,004)	(21,387)	(285,338)
Finance income	4 710	206 333	6	211,049
Depreciation		(251 315)	(51,550)	(302 865)
Tax expense	(21,021)	-	(216 884)	(237,905)
(Loss)/profit for the period	(45 718)	(506,866)	939,671	387 087
Assets				
Total assets	774 354	2 412,351	5 284 765	8,471 470
Additions to non current assets	-	673,321	31,935	705 256
Liabilities				
Total liabilities	376,807	1,581 023	2 054 507	4 012,337

Geographical analysis

The group is domiciled in the UK Analysis of revenues from external customers by country is provided below

	Revenue 2010 £,000	**Non-current assets 2010 £,000**	Revenue 2009 £,000	Non-current assets 2009 £ 000
Canada	**467**	**-**	615	-
France	**1,196**	**61**	1,449	46
Germany	**1,025**	**-**	1 080	-
UK	**4,433**	**845**	3,953	908
USA	**6,216**	**303**	5,224	295
Other export	**4,721**	**15**	3 364	-
	18,058	**1,224**	15,685	1 249

Notes to the accounts continued

4 FINANCE INCOME AND EXPENSE

	Note	2010	2010	2009	2009
		£	£	£	£
Finance expense					
Bank borrowings		33,801		41,594	
Hire purchase interest		22,644		24 744	
Preference share dividend		9,000		9 000	
Defined benefit interest cost	17 5	237,000		210 000	
			302,445		285 338
Finance income					
Bank interest received		4,776		11 049	
Expected return on scheme assets	17 5	246,000		200 000	
			250,776		211 049
			(51,669)		(74 289)

5 TAX EXPENSE

	2010	2010	2009	2009
	£	£	£	£
Current tax expense				
UK corporation tax				
UK tax expense on profits for the year	100,181		-	
Prior year adjustment	(5,545)		-	
		94,636		-
Foreign corporation tax				
Foreign tax expense on profits for the year	321,604		237 905	
		321,604		237,905
Total tax charge		416,240		237 905

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

	2010	2009
	£	£
Profit before tax	1,361,378	624,992
Expected tax charge based on the standard rate of corporation tax in the UK of 28% (2009 – 28%)	381,186	174,998
Expenses not deductible for tax purposes	2,037	10,307
Income not taxable	(464)	(464)
Tax credits on research and development	(20,007)	(19,833)
Deferred tax not provided	(40,140)	(9,822)
Foreign tax	99,173	82,719
Prior year adjustment	(5,545)	-
	416,240	237,905

No deferred tax assets arising on tax losses accelerated depreciation in excess of capital allowances or the pension provision have been recognised as their future recoverability is relatively uncertain The amounts not recognised are estimated at £75,000 £40 000 and £(3,000) respectively (2009 - £77,000, £86 000 and £(42,000)) calculated at a rate of 27% (2009 – 28%) The deferred tax balance has not been discounted

Notes to the accounts continued

6 EMPLOYEES

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

	Note	2010	2009
		No	No
Office and management		**65**	52
Manufacturing		**46**	56
		111	108
Staff costs (including directors) comprise		**£**	£
Wages and salaries		**3,378,876**	3,163,324
Defined contribution pension cost		**62,272**	58,809
Defined benefit pension cost	17 5	**144,000**	163,000
Other long-term employee benefits		**2,731**	10 011
Ex-gratia pensions		**15,998**	17 197
Employer's national insurance contributions and similar taxes		**311,811**	370 511
		3,915,688	3 782,852
Included in other expenses		**(73,877)**	(97 448)
		3,841,811	3,685 404

Directors' remuneration

Emoluments of qualifying services	**290,175**	222 130
Company pension contributions to money purchase schemes	**6,781**	3 405
	296,956	225 535

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounts to 4 (2009 - 2) and under defined benefit pension schemes amounted to 2 (2009 - 2) Further unaudited details of directors remuneration are included in the remuneration report

Notes to the accounts continued

7 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £	Plant, machinery and motor vehicles £	Total £
At 31st December 2010			
Cost	**660,423**	**4,372,022**	**5,032,445**
Accumulated depreciation	**173,616**	**3,634,849**	**3,808,465**
Net book value	**486,807**	**737,173**	**1,223,980**
At 31st December 2009			
Cost	661 620	4 286,603	4,948 223
Accumulated depreciation	173,616	3,525,147	3,698,763
Net book value	488,004	761,456	1,249,460
Year ended 31st December 2010			
Opening net book value	**488,004**	**761,456**	**1,249,460**
Additions	-	**263,204**	**263,204**
Disposals	-	**(1)**	**(1)**
Depreciation	-	**(286,938)**	**(286,938)**
Exchange differences	**(1,197)**	**(548)**	**(1,745)**
Closing net book value	**486,807**	**737,173**	**1,223,980**
Year ended 31st December 2009			
Opening net book value	490 986	359,772	850 758
Additions	-	705,256	705 256
Disposals	-	(2)	(2)
Depreciation	-	(302 865)	(302,865)
Exchange differences	(2,982)	(705)	(3 687)
Closing net book value	488 004	761,456	1,249 460

The net book value of tangible fixed assets includes an amount of £335,363 (2009 - £450 695) in respect of assets held under finance leases and hire purchase contracts The related depreciation charge on these assets for the year was £114,282 (2009 £162 010)

Notes to the accounts continued

8 SUBSIDIARIES

Subsidiary	Principal activity	Proportion of shares held 2010 and 2009 Ordinary Shares	Preference Shares
i Registered in and operating from England			
Braime Pressings Limited	Manufacture of metal presswork	100%	100%
Braime Elevator Components Limited	Distribution of bulk material handling components	100%	-
ii Registered in and operating from the USA			
4B Elevator Components Limited	Distribution of bulk material handling components	100%	-
iii Incorporated in and operating from France			
Sarl S E T E M	Distribution of bulk material handling components	100%	-
iv Incorporated in and operating from Thailand			
4B Asia Pacific Company Limited	Distribution of bulk material handling components	48%	-
v Incorporated in and operating from South Africa			
4B Africa Elevator Components (Pty) Limited	Distribution of bulk material handling components	100%	-
vi Incorporated in and operating from Australia			
4B Australia Pty Limited	Distribution of bulk material handling components	100%	-

While only 48% of the ordinary shares are held in 4B Asia Pacific Company Limited the company controls 89% of the voting rights

9 INVENTORIES

	2010 £	2009 £
Raw materials	**245,295**	233,953
Work in progress	**104,448**	23,453
Finished goods	**3,127,763**	2 561 650
Goods in transit	**116,174**	43 093
	3,593,680	2 862 149

During the twelve months ended 31st December 2010 the group recognised a write-back of finished goods inventories of £34 443 (2009 charged - £(163,686)) to reflect the ageing of certain stock items

Notes to the accounts continued

10 TRADE AND OTHER RECEIVABLES

	2010	2009
	£	£
Trade debtors	**2,635,962**	2 078,851
Other debtors	**28 398**	34 484
Prepayments	**627,242**	287,049
	3,291,602	2,400 384

Where possible credit insurance is obtained and sales to customers kept within agreed credit limits Experience over the last five years has shown that bad debts in any one year have not exceeded £10 000

The risk in relation to credit risk is considered low and is supported by the low level of bad debts experienced, both pre and post credit insurance claims, by the group in any one year There are no material bad debt provisions and no material past due balances

11 TRADE AND OTHER PAYABLES – CURRENT

	2010	2009
	£	£
Trade creditors	**1,288,634**	1,300,299
Other taxes and social security costs	**50,140**	26 051
Other creditors	**511,699**	275 563
Accruals	**856,696**	417 140
	2,707,169	2 019 053

Included in other creditors is a sum of £391,413 (2009 - £164,839) borrowed under an invoice discounting facility which has been secured by a fixed and floating charge over certain assets of certain group companies

12 OTHER FINANCIAL LIABILITIES – CURRENT

	2010	2009
	£	£
Bank loans - secured	**169,809**	176,085
Hire purchase	**121,744**	168,254
	291,553	344,339

An analysis of the interest rate payable on financial liabilities and information about fair values is given in note 15

Notes to the accounts continued

13 FINANCIAL LIABILITIES – NON-CURRENT

	Note	2010	2009
		£	£
Irredeemable Preference shares	14	**180,000**	180,000
Hire purchase		**194,164**	292,475
Government grants		**14,848**	16 504
		389,012	488 979

Obligations under finance lease and hire purchase contracts comprise amounts payable as follows

	2010	2009
	£	£
In one year or less, or on demand	**121,744**	168,254
In more than one year but not more than five years	**194,164**	292 475
	315,908	460,729

14 SHARE CAPITAL

	2010	2009
Authorised	£	£
480,000 Ordinary shares of 25p each	**120,000**	120,000
1,200,000 'A' Ordinary shares of 25p each	**300,000**	300 000
	420,000	420,000
Allotted, called up and fully paid		
480 000 Ordinary shares of 25p each	**120,000**	120,000
960,000 'A' Ordinary shares of 25p each	**240,000**	240 000
	360,000	360 000

There are 180,000 Cumulative Preference shares of £1 each which have been classified as liabilities under IAS 32 (note 13) The rate of dividend of the 5% Cumulative Preference shares is 5% plus the associated tax credit On a return of capital on a winding up the holders shall be entitled to £1 125 per share together with any arrears of preference dividend due to the date of return Holders of these shares are only entitled to vote at meetings if the preference dividend remains unpaid for six months after any date fixed for payment or where resolutions are proposed which affect their rights or which increase the company's borrowing powers In these events the 5% Cumulative Preference shareholders would be entitled to one vote per share

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

On a return of capital on a winding-up the holders of Ordinary and 'A Ordinary shares shall be entitled to the residue of profits after distribution of the amount due to the 5% Cumulative Preference shareholders The residue shall be distributed in proportion to the amounts paid up on the shares

Notes to the accounts continued

15 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

In addition various financial instruments such as trade debtors and trade creditors arise directly from the group's operations

The group holds both financial assets and financial liabilities Financial assets comprise cash balances loans and receivables and are disclosed on the balance sheet as trade and other receivables Financial liabilities comprise financial liabilities measured at amortised cost including bank loans and overdrafts, trade and other payables finance leasing liabilities and irredeemable preference shares Financial liabilities also include forward currency contracts at a fair value

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 As shown below the group's currency exposure at the year end is £2,616 362 (2009 - £2 137 060) and is primarily euros and US dollars to sterling

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

Forward contracts

Forward currency contracts of £1,178 158 were outstanding at 31st December 2010 covering periods from 1st January to 10th June 2011 (31st December 2009 - £708 956) The fair value of the forward currency contracts is £(6,655) (2009 £1 726)

Maturity analysis

Other than is disclosed in note 13 regarding obligations under finance lease and hire purchase agreements and the irredeemable preference shares all financial instruments fall due within one year

The interest on irredeemable preference shares is £9 000 per annum In addition to the maturity analysis disclosed in note 13 the interest due on hire purchase agreements repayable within one year totals £12,029 the interest due on finance lease and hire purchase agreements after one year but not more than five years totals £22 537

Notes to the accounts continued

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 £	Fixed rate financial assets £	Total £
Currency			
As at 31st December 2010			
Sterling	**215,146**	**1,065,000**	**1,280,146**
Euro	**260,455**	-	**260,455**
US dollar	**234,817**	-	**234,817**
Other	**69,516**		**69,516**
	779,934	**1,065,000**	**1,844,934**
As at 31st December 2009			
Sterling	138 391	1,065 000	1 203 391
Euro	237 878	-	237 878
US dollar	490,713	-	490,713
Other	15,225	-	15 225
	882,207	1,065,000	1 947 207

Fixed rate financial assets comprise sterling cash deposits on the money market at 1 month rates The weighted average period for which they are fixed is 1 month (2009 – 2 months) and the weighted average fixed rate is 0 43% (2009 – 0 39%)

Floating rate financial assets comprise bank current accounts

Notes to the accounts continued

Interest rate and currency of financial assets and liabilities – (continued)
The currency and interest rate profile of the group's interest bearing financial liabilities is shown below

Currency	Floating rate financial liabilities £	Fixed rate financial liabilities £	Total £
As at 31st December 2010			
Sterling	**1,090,243**	**495,908**	**1,586,151**
Euro	**128,567**	**169,809**	**298,376**
US dollar	**318,024**	**-**	**318,024**
	1,536,834	**665,717**	**2,202,551**
As at 31st December 2009			
Sterling	689 831	640,729	1 330 560
Euro	169 582	176,085	345 667
US dollar	472 336		472 336
	1 331,749	816 814	2,148 563

Fixed rate financial liabilities of £169,809 (2009 - £176,085) comprise a euro bank loan with a term of 1 month (2009 – 2 months) and a fixed rate of 3 0025% (2009 – 2 77%)

Floating rate financial liabilities comprise bank borrowings

Notes to the accounts continued

Currency exposure

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 and liabilities

	Sterling £	Euro £	US dollar £	Other currencies £	Total £
Functional currency					
At 31st December 2010					
Sterling	-	(54,203)	(88,035)	(243,271)	(385,509)
Euro	(992,887)	-	-	-	(992,887)
US dollar	(1,237,966)	-	-	-	(1,237,966)
	(2,230,853)	(54,203)	(88,035)	(243,271)	(2,616,362)
At 31st December 2009					
Sterling	-	(14,752)	(43,657)	(109,574)	(167,983)
Euro	(1,107,444)	-			(1,107,444)
US dollar	(861,633)	-	-		(861,633)
	(1,969,077)	(14,752)	(43,657)	(109,574)	(2,137,060)

Notes to the accounts continued

Risk sensitivity
A change in interest rates of 1% in any of the three currencies invested or borrowed will not affect the income statement by a figure greater or less than £10,000 (2009 - £10 000)

A weakening in the value of sterling by 10% will benefit the operating profit by a figure not exceeding £100 000 (2009 - £100,000) A strengthening of sterling by 10% will reduce the operating profit by a figure not greater than £50,000 (2009 - £50 000)

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

	2010	2009
	£	£
Expiring in one year or less	753,758	852,829

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

Group bank 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 is 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's group policy that all such transactions should be hedged locally by entering into forward contracts with group treasury Where is it considered the risk to the group is significant group treasury will enter into a matching forward contract with a reputable bank

It is group policy that transactions between group entities are always denominated in the selling group entity's functional currency thereby giving rise to foreign exchange risk in the income statement of both the purchasing group entity and the group Although the purchasing group 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

Notes to the accounts continued

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 group finance director Where the amount of the facility is above a certain level agreement of the board is needed

All surplus cash is held centrally to maximize 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 borrows at floating rates and has hedging products in place to 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

Quantative disclosures have been made in note 10

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

16 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 (2009 – 1 440 000) There are no potentially dilutive shares in issue

Dividends paid

	2010	2009
Equity shares	£	£
Ordinary shares		
Interim of 3 00p (2009 - 1 50p) per share paid on 1st April 2010	14,400	7 200
Interim of 2 40p (2009 - 1 50p) per share paid on 15th October 2010	11,520	7 200
	25,920	14 400
'A' Ordinary shares		
Interim of 3 00p (2009 1 50p) per share paid on 1st April 2010	28,800	14 400
Interim of 2 40p (2009 – 1 50p) per share paid on 15th October 2010	23,040	14 400
	51,840	28 800
Total dividends paid	77,760	43 200

A dividend of 4 80p per Ordinary and 'A' Ordinary share is to be paid on 1st April 2011

17 PENSION COSTS

17 1 The company operates a funded defined benefit pension scheme Braime Pressings Limited Retirement Benefits Scheme which provides benefits based on final pensionable pay on behalf of certain companies in the T F & J H Braime (Holdings) P L C group 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

17 2 A qualified actuary determines the contributions payable to the scheme The most recent actuarial valuation was conducted at 6th April 2010 The market value of scheme assets at 6th April 2010 was £5 162 000 The funding level at 6th April 2010 was 99% on an ongoing basis

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised within the consolidated statement of comprehensive income

17 3 The expected return on assets is a weighted average of the assumed long term returns for the various asset classes Bond returns are selected by reference to the yields on government and corporate debt as appropriate to the scheme's holdings of these instruments AA corporate bond yields are used in the valuation of the scheme's annuity policies held with Zurich Assurance Limited

Notes to the accounts continued

17 4 The amounts recognised in the balance sheet are as follows

	Note	2010	2009
		£	£
Present value of funded obligations	17 6	(4,902,000)	(4,218 000)
Fair value of plan assets	17 7	4,914,000	4 367 000
Surplus		12,000	149,000
Adjustment in respect of minimum funding requirement		(12,000)	(149,000)
Net asset		-	-

17 5 The amounts recognised in the consolidated income statement are as follows

	Note	2010	2009
		£	£
Current service cost	6	144,000	106 000
Interest cost	4	237,000	210 000
Expected return on plan assets	4	(246,000)	(200,000)
Past service cost		-	57,000
Total included in employee benefits expense		135,000	173,000

17 6 Changes in the present value of the defined benefit obligation are as follows

	2010	2009
	£	£
Opening defined benefit obligation	4,218,000	3 440,000
Service cost	144,000	106 000
Member contributions	9,000	11,000
Past service cost	-	57,000
Interest cost	237,000	210,000
Benefits paid	(127,000)	(121 000)
Actuarial gains	421,000	515,000
Closing defined benefit obligation	4,902,000	4,218 000

17 7 Changes in the fair value of plan assets are as follows

	2010	2009
	£	£
Opening fair value of plan assets	4,367,000	3,580 000
Expected return on plan assets	246,000	200,000
Actuarial gains	253,000	591,000
Benefits paid	(127,000)	(121,000)
Employer contribution	166 000	106,000
Member contributions	9,000	11 000
Closing fair value of plan assets	4,914,000	4,367 000

Notes to the accounts continued

17 8 Analysis of fair value of plan assets between asset categories is as follows

	2010	2009
	£	£
Annuities	**1,283,000**	1,298 000
Bonds	**821,000**	687 000
Cash	**97,000**	76 000
Insurance policies	**2,713,000**	2 306,000
Total	**4,914,000**	4,367,000

17 9 The actual return on plan assets is as follows

	2010	2009
	£	£
Actual return on plan assets	**499,000**	791,000

17 10 Amount recognised in the statement of comprehensive income is as follows

	2010	2009
	£	£
Actuarial (losses)/gains	**(168,000)**	76,000
Adjustment in respect of minimum funding requirement	**137,000**	(149 000)
Total amount recognised in statement of comprehensive income	**(31,000)**	(73 000)

17 11 Cumulative amount of actuarial gains and losses recognised in the statement of comprehensive income is as follows

	2010	2009
	£	£
Actuarial gains	**349,000**	380 000

17 12 Amounts for the current period and previous periods are as follows

	2010	2009	2008	2007	2006
	£ 000	£ 000	£ 000	£,000	£ 000
Present value of funded obligations	(4 902)	(4 218)	(3,440)	(3,525)	(4 349)
Fair value of plan assets	4 914	4,367	3,580	3 622	4,337
Surplus/(deficit)	12	149	140	97	(12)
Experience (losses)/gains on plan liabilities	(184)	(69)	(16)	75	209
Experience gains/(losses) on plan assets	253	591	(253)	(433)	(95)

Notes to the accounts continued

17 13 Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2010	2009	2008	2007	2006
Discount rate	5 40%	5 70%	6 20%	5 80%	5 10%
Salary increase	4 70%	4 70%	4 20%	4 50%	4 10%
Inflation	3,70%	3 70%	3 20%	3 50%	3 10%
Expected return on plan assets	5 50%	5 60%	5 60%	5 70%	5 70%
Post retirement mortality	120%	120%	120%	120%	PA92
table	PNXA00	PNXA00	PNXA00	PNXA00	C 2020m
	YoB mc	YoB mc	YoB mc	YoB mc	c
	min	min	min	min	
	1 0%	1 0%	1 0%	1 0%	

17 14 The employer s best estimate of contributions expected to be paid to the plan during the annual period beginning after the balance sheet date is £100 000

17 15 The amounts recognised in the balance sheet are as follows

	2010	2009
	£	£
Net asset at start of period	-	140 000
Pension cost	**(135,000)**	(173 000)
Employer contribution	**166,000**	106 000
Actuarial gains recognised in SoCI	**(168,000)**	76 000
Adjustment in respect of minimum funding requirement	**137,000**	(149 000)
Net asset at end of period		

18 OPERATING LEASES

Two cars used in Europe are subject to contract hire agreements for a maximum period of three years
The total future value of minimum lease payments are due as follows

	2010	2009
	£	£
Not later than one year	**14,191**	14 145
Later than one year and not later than five years	**6,259**	7 072
	20,450	21 217

19 NOTES SUPPORTING CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents	**2010**	2009
	£	£
Cash at bank and in hand	**1,844,934**	1,947 207
Bank overdrafts	**1,145,421**	1 159 966
	699,513	787,241

Major non-cash transaction

During the year the group acquired tangible assets of £53 050 (2009 £378 354) under hire purchase agreements

Notes to the accounts continued

20 CAPITAL COMMITMENTS

There were capital commitments of £144 330 (2009 - £ Nil) which are contracted but not provided for in these financial statements

21 RELATED PARTY TRANSACTIONS

The key management of the company are considered to be only the directors of the company
Key management compensation is disclosed in the directors' remuneration report

Balance sheet
at 31st December 2010

	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	2		**189,973**		202 549
Investments	3		**355,181**		361,764
			545,154		564,313
Current assets					
Debtors due within one year	4	**7,017**		4,476	
Debtors due after more than one year	5	**2,941,665**		2,206,391	
Cash at bank and in hand		**481,596**		491 873	
		3,430,278		2 702 740	
Creditors amounts falling due within one year	6	**300,636**		196,807	
Net current assets			**3,129,642**		2 505,933
Total assets less current liabilities			**3,674,796**		3 070 246
Creditors amounts falling due after more than one year	7		**1,142,616**		997,582
			2,532,180		2,072,664
Capital and reserves					
Called up share capital	8		**360,000**		360,000
Profit and loss account	9		**2,172,180**		1 712,664
Shareholders' funds	10		**2,532,180**		2 072,664

This financial statement was approved and authorised for issue by the board of directors on 30th March 2011 and signed on its behalf by

O N A Braime, Director

D H Brown, Director

Notes to the accounts

1 ACCOUNTING POLICIES

1 1 Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

1 2 Depreciation

Tangible fixed assets

Depreciation is provided on tangible fixed assets other than freehold land which is not depreciated at rates calculated to write off the cost over their estimated useful lives using the following percentages

Land and buildings – 25 years

1 3 Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences Deferred tax balances are not discounted

1 4 Dividends

Equity dividends are recognised when they become legally payable In the case of interim 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 5 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 re-translated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

1 6 Financial instruments

Disclosures required under FRS 29 have not been separately provided in addition to those already given in note 15 to the group financial statements as they are also relevant to the position of the company as permitted under FRS 29

1 7 Profit for the financial period

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements The company's profit for the year was £537 276 (2009 – £334 548)

1 8 Value of investments

Investments held as fixed assets are stated at cost less any provision for impairment

Notes to the accounts continued

2 TANGIBLE FIXED ASSETS

	Freehold property £
Property	
Cost	
At 1st January 2010	377 406
At 31st December 2010	**377,406**
Depreciation	
At 1st January 2010	174 857
Charged in the year	12,576
At 31st December 2010	**187,433**
Net book value	
At 31st December 2010	**189,973**
At 31st December 2009	202 549

The total cost of non depreciable assets (freehold land) is £62 997 (2009 - £62,997)

3 INVESTMENTS

Subsidiary undertakings	2010 £	2009 £
Shares at cost at 1st January 2010	**361,764**	468 040
Additions	-	-
Provision for diminution in value	-	(150 000)
Currency adjustment	**(6,583)**	43 724
	355,181	361 764

Proportion of shares held 2010 and 2009

Subsidiary	Principal activity	Ordinary Shares	Preference Shares
i Registered in and operating from England			
Braime Pressings Limited	Manufacture of metal presswork	100%	100%
Braime Elevator Components Limited	Distribution of bulk material handling components	100%	-
ii Registered in and operating from the USA			
4B Elevator Components Limited	Distribution of bulk material handling components	100%	
iii Incorporated in and operating from France			
Sarl S E T E M	Distribution of bulk material handling components	100%	

Notes to the accounts continued

Subsidiary	Principal activity	Proportion of shares held 2010 and 2009 Ordinary Shares	Preference Shares
iv Incorporated in and operating from Thailand			
4B Asia Pacific Company Limited	Distribution of bulk material handling components	48%	-
v Incorporated in and operating from South Africa			
4B Africa Elevator Components (Pty) Limited	Distribution of bulk material handling components	100%	-
vi Incorporated in and operating from Australia			
4B Australia Pty Limited	Distribution of bulk material handling components	100%	

The value of this investment included in the accounts is the cost translated at the sterling/currency rate at 31st December 2010

4 DEBTORS AMOUNTS RECEIVABLE WITHIN ONE YEAR

	2010 £	2009 £
Prepayments	**7,017**	4 476

5 DEBTORS AMOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Amount owed by a subsidiary company	**2,941,665**	2,206 391

6 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Bank loans and overdrafts	**298,301**	176,085
Other taxes and social security costs	**60**	40
Other creditors	**75**	232
Accruals	**2,200**	20 450
	300,636	196,807

Notes to the accounts continued

7 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010	2009
	£	£
Irredeemable Preference shares	**180,000**	180,000
Amount owed to subsidiary companies	**962,616**	817 582
	1,142,616	997 582

The amounts owed to subsidiary companies are repayable between one and two years

8 SHARE CAPITAL

	2010	2009
Authorised	£	£
480,000 Ordinary shares of 25p each	**120,000**	120,000
1,200 000 'A' Ordinary shares of 25p each	**300,000**	300 000
	420,000	420 000
Allotted, called up and fully paid		
480 000 Ordinary shares of 25p each	**120,000**	120 000
960 000 'A' Ordinary shares of 25p each	**240,000**	240 000
	360,000	360 000

The rate of dividend of the 5% Cumulative Preference shares is 5% plus the associated tax credit On a return of capital on a winding up the holders shall be entitled to £1 125 per share together with any arrears of preference dividend due to the date of return Holders of these shares are only entitled to vote at meetings if the preference dividend remains unpaid for six months after any date fixed for payment or where resolutions are proposed which affect their rights or which increase the company's borrowing powers In these events the 5% Cumulative Preference shareholders would be entitled to one vote per share

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

On a return of capital on a winding-up, the holders of Ordinary and 'A' Ordinary shares shall be entitled to the residue of profits after distribution of the amount due to the 5% Cumulative Preference shareholders The residue shall be distributed in proportion to the amounts paid up on the shares

Notes to the accounts continued

9 RESERVES

	£
Profit and loss reserve	
Balance at 1st January 2010	**1,712,664**
Retained profit for the year	**537,276**
Dividends paid	**(77,760)**
Balance at 31st December 2010	**2,172,180**

10 RECONCILIATION IN MOVEMENT IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Profit for the year	**537,276**	334 548
Dividend paid	**(77,760)**	(43,200)
Net movement in shareholders' funds	**459,516**	291 348
Opening shareholders funds	**2,072,664**	1,781 316
Closing shareholders' funds	**2,532,180**	2,072 664

11 EMPLOYEES

	2010	2009
	No	No
Office and management	**6**	3
	£	£
Directors remuneration		
Emoluments for qualifying service	**22,075**	11,100

Further unaudited details of directors remuneration are included in the remuneration report

Five year record

	2010 £,000	2009 £,000	2008 £,000	2007 £,000	2006 £,000
Turnover	18,058	15,685	15,174	11,839	11,120
Profit/(loss) from operations	1,413	699	576	167	(126)
Profit/(loss) before tax	1,361	625	527	138	(116)
Profit/(loss) after tax	945	387	252	9	(187)
Basic and diluted earnings/(loss) per share	65.63p	26.88p	17.47p	0.01p	(13.00p)