



REPORT & ACCOUNTS
2016

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COMPANIES HOUSE



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

Company registration
number

488001



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

Contents

Company information	3
Notice of meeting	4
Chairman's statement	6
Group strategic report	8
Director's report	12
Directors' remuneration report	15
Independent auditors' report	17
Consolidated income statement	19
Consolidated statement of comprehensive income	19
Consolidated balance sheet	20
Consolidated cash flow statement	21
Consolidated statement of changes in equity	22
Notes to the accounts	23
Company balance sheet	52
Notes to the accounts	54
Five year record	61
Explanatory notes of resolutions	62



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



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

Directors	O. N. A. Braime, MA, (Oxon.), M.B.I.M. (Chairman) 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 (Hons.), MSc, MBA P. Tiffany, ACA, BSc (Hons.)
Secretary	P. Tiffany, ACA, BSc (Hons.)
Registered office	Hunslet Road, Leeds, LS10 1JZ.
Independent auditors	Kirk Newsholme, Chartered Accountants and Statutory Auditors, 4315 Park Approach, Thorpe Park, Leeds, LS15 8GB.
Bankers	HSBC, Leeds City Branch, 33 Park Row, Leeds, LS1 1LD.
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 SEVENTH Annual General Meeting of the members of T.F. & J.H. BRAIME (HOLDINGS) P.L.C. (the 'company') will be held at the registered office of the company at Hunslet Road, Leeds, LS10 1JZ on Thursday 1st June 2017 at 11.45am.

Ordinary Resolutions

1. To receive and adopt the report of the directors, the statement of accounts and the directors' remuneration report, for the year ended 31st December 2016, and the report of the auditors thereon.
2. To confirm the dividends paid on 21st October 2016 and 12th May 2017 on the Ordinary and 'A' Ordinary shares.
3. a) To re-appoint as a director P. Tiffany, who is retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.

b) To re-appoint as a director P. J. O. Alcock, who is retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.
4. To re-appoint Kirk Newsholme as auditors, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company at which accounts are laid.
5. To authorise the directors to set the remuneration of the auditors.

By order of the board,
P. Tiffany Secretary
Hunslet Road, Leeds, LS10 1JZ

26th April 2017



Notice of meeting continued

ACCOMPANYING NOTES

1. A member entitled to vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not also be a member of the company. A form of proxy which may be used to make such appointment and give proxy instructions accompanies this notice.
2. To be valid, the form of proxy must be received at the company's registered office at Hunslet Road, Leeds LS10 1JZ by no later than 11:45 am on 30th May 2017.
3. The return of a completed Form of Proxy will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. In accordance with the company's Articles of Association, holders of the 'A' Ordinary shares are entitled to attend, but not to vote at this meeting.
5. There will be available for inspection at the registered office during the company's usual business hours (Saturdays, Sundays and public holidays excluded) from the date of this notice until the date of the Annual General Meeting and for at least fifteen minutes prior to and during the meeting:

A statement for the period of twelve months to 31st December 2016 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.

The service contract of each executive director, where applicable and the letter of appointment of each non-executive director.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by 11.30am on 30th May 2017. 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.



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

Chairman's statement

Overall performance of the group

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

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

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

Dividends

The directors have decided to increase the total dividend for 2016 by 2.2% to 9.30p. The first interim dividend of 2.90p, paid in October 2016, was unchanged but the second interim dividend will be increased to 6.40p (2015 - 6.20p).

Capex

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

Cash flow

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

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

The group revenue continues to grow year on year.

To do so in 2016 it required an increase in both stocks and debtors, by £400,000 and £208,000 respectively, although the increase in debtors was more than offset by an increase in the creditors of £272,000.

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

Staff

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

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

We thank them all for their ongoing effort.

Braime Pressings Limited

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

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



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

Chairman's statement continued

4B material handling division

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

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

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

Brexit

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

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

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

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

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

Outlook

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

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

O. N. A. Braime, Chairman

26th April 2017



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

Group strategic report

The Chairman's Statement on pages 6 to 7 provides a review of the business for the year and future developments.

Principal activities and risks and uncertainties

The group comprises two core segments; the manufacture of deep drawn metal presswork and the distribution of material handling components and monitoring equipment.

The metal presswork segment operates across several industries including the automotive sector. The market remains challenging due to pricing pressures throughout the supply chain. The maintenance of the TS16949 quality standard is important to the group and allows it to access growing markets within the automotive and other sectors. A process of continual improvement in systems and processes reduces this risk as well as providing increased flexibility to allow the business to respond to customer requirements.

The material handling components subsidiaries trade from six countries and export to over fifty countries. The division maintains its competitive edge in a price sensitive market through the provision of engineering expertise and by working closely with our suppliers to supply innovative components of the highest standard. In addition, ranges of complementary products are sold into different industries. These monitoring systems are developed and improved on a regular basis.

Raw material price risk

The group is exposed to medium to long term fluctuations in steel prices and to mitigate this volatility, the company fixes its prices with suppliers where possible.

Reputational risk

As the group operates in relatively small markets any damage to, or loss of reputation could be a major concern. Rigorous management attention and quality control procedures are in place to maximise right first time and on time delivery. Responsibility is taken for ensuring swift remedial action on any issues and complaints.

Operational risk

Solid reporting systems and accurate and timely management information is reviewed by the directors monthly.

Brexit impact

The group is prepared for the economic and political uncertainty in the future resulting from the UK vote to leave the EU. The group still maintains its long term strategic aim of growing core products and aims to continue to expand its operations with new and existing customers, this is commented upon in detail in the Chairman's Statement.

Financial instruments

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

The group does not have material exposure in any of the areas identified above.

The group's principal financial instruments comprise sterling and foreign cash and bank deposits, bank loans and overdrafts, other loans and obligations under finance leases together with trade debtors and trade creditors that arise directly from operations.

The main risks arising from the group's financial instruments can be analysed as follows:

Price risk

The group has no significant exposure to securities price risk, as it holds no listed equity instruments.

Foreign currency risk

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



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

Group strategic report continued

Credit risk

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

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

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

Liquidity risk

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

Cash flow interest rate risk

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

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

Our business model

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

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

The two segments are very different and serve different markets, however together they add strength and balance to the group.

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

At the start of 2016, the management team was strengthened and a significant new press line was installed following the fire in 2015. The year started out with low demand from Europe for new or replacement parts for commercial vehicles due to the uncertainty surrounding Brexit. This can be seen from the year on year decrease in external revenues, however the forecast improvements in productivity have enabled the business to increase EBITDA year on year.

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

The 4B division continued to increase sales revenue in 2016 with growth across all the subsidiaries. This was particularly encouraging given the movement in exchange rates many of the subsidiaries had to manage throughout the year.

The outlook for 2017 remains positive with further growth anticipated from our overseas subsidiaries.



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

Group strategic report continued

Taxation

The effective rate of tax is 33% (2015 – 21.00%). The effective rate is above the standard UK tax rate of 20% (2015 – 20.25%) due to the blending effect of the different rates of tax applied by each of the countries in which the group operates. In any financial year the effective rate will depend on the mix of countries in which profits are made.

Capital expenditure

In 2016, the group invested £1.1m in plant and equipment continuing the recent substantial investment in new manufacturing machinery. The plan for 2017 is to make further tactical investments in key equipment and maximise productivity.

Cash flow

Inventories increased by £399,841 and debtors by £207,920; these calls on working capital were partly offset by an increase in our creditors of £272,025. In total the business generated funds from operations of £1.9m net of the movement in working capital.

After the payment of other financial costs and the dividend, the net cash position was £742,000; a net inflow of £427,000.

Bank facilities

The group's operating banking facilities are renewed annually. The arrangements with HSBC provide sufficient headroom to the group and have allowed us to make the necessary investments in the year.

Balance sheet

Net assets of the group have increased to £10.0m (2015 – £8.6m), this is due to the strong profit performance in the year. A foreign exchange gain of £598,000 (2015 – £(147,000)) was recorded on the re-translation of the net assets of the overseas operations.

Key performance indicators

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

Key performance indicator	Note	2016	2015
Turnover growth	1	7.3%	8.9%
Gross margin	2	45.3%	44.7%
Operating profit	3	£1.39m	£0.90m
Stock days	4	144 days	143 days
Debtor days	5	55 days	51 days
On time delivery achievement – 4B division	6	80%	69%

Notes to KPI's

1. Turnover growth

The group aims to increase shareholder value by measuring the year on year growth in group revenue. Whilst the growth in 2016 has been lower than 2015, this is due to uncertainty in the general economic environment resulting from the EU referendum and US presidential election.

2. Gross margin

Gross profit (revenue less change in inventories and raw materials used) as a percentage of turnover is monitored to maximise profits available for reinvestment and distribution to shareholders. The year on year improvement in margin has resulted from operational efficiency and gains from movement in foreign exchange rates.

3. Operating profit

Sustainable growth in operating profit is a strategic priority to enable ongoing investment and increase shareholder value. Year on year improvement in operating profits resulting from the improvement in gross margin and also efficient cost control over operating expenses.



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

Group strategic report continued

4. Stock days

The average value of stock divided by the cost of goods sold expressed as a number of days is monitored to ensure the right level of stocks are held in order to meet customer demands whilst not carrying excessive amounts which impacts upon working capital requirements. In 2016 whilst increased revenues have required an increase in the overall stock levels, the group has maintained stock days in line with prior years.

5. Debtor days

The average value of debtors divided by revenue expressed as a number of days. This is an important indicator of working capital requirements. In 2016 there has been an increase in the debtor days, however they are still averaging within standard payment terms of 60 days.

6. On time delivery achievement

The percentage of customer orders delivered on or before the required date. On time delivery is a key customer service requirement in the material handling division and continuous improvement is required in an increasingly competitive market. 2016 has seen a significant improvement and senior management continue to focus on improving this to meet customer expectations.

Environment

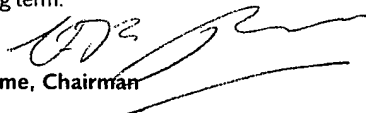
The group's policy with regard to the environment is to understand and effectively manage the actual and potential environmental impact of our activities. Operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business.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

Employees

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

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.


O. N. A. Braime, Chairman

26th April 2017



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

Directors' report

The directors present their annual report and financial statements for the year ended 31st December 2016.

RESULTS AND DIVIDENDS

The profit for the year after taxation and transferred to reserves was £854,517 (2015 – £1,541,534). No dividend is to be proposed at the Annual General Meeting.

DIRECTORS

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

	31st December 2016	1st January 2016
O. N. A. Braime		
Ordinary shares	143,400	143,400
P. J. O. Alcock		
Ordinary shares	1,000	1,000
'A' Ordinary shares	5,000	5,000
A. W. Walker		
Ordinary shares	100	100
'A' Ordinary shares	300	300
A. Q. Braime		
Ordinary shares	35,175	35,175
C. O. Braime		
Ordinary shares	35,175	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.

P. Tiffany was appointed to the board on 1st December 2016 and having been appointed since the last Annual General Meeting, also offers himself for re-election.

M. L. Mills resigned his position from the board as of 24th February 2016.

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.

SUBSTANTIAL SHAREHOLDINGS

The company has been notified that as at 31st March 2017, 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
J M Finn Nominees Limited	71,000	14.79%
Hargreaves Lansdown (Nominees) Limited	29,176	6.08%
Mrs P. V. Smith	27,500	5.73%
Ferlim Nominees Limited Des. POOLED	26,083	5.43%
Mr. M. C. J. Barnes	16,555	3.45%



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

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 Corporate Governance Code 2014. 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 the group's system of internal control and reviewing its effectiveness. Identification and evaluation of risks is an integral part of the board's planning process. Controls within the group are designed to provide the board with reasonable assurance regarding the maintenance of proper accounting records, the reliability of financial information and the safeguarding of assets. The group's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material loss or misstatement. The board considers that the size of the group does not justify an internal audit function, but continues to keep the need for an internal audit function under review. The board has conducted a review of the effectiveness of the company's risk management and internal control systems.

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 group strategic report on pages 8 to 11. The financial position of the group, its cash flows, liquidity position and borrowing facilities are also described in the group strategic report. In addition, note 17 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.

Growth is being seen in many of the geographic areas in which the group operates. The exchange rate between sterling, the US dollar and the euro and the price of raw materials creates uncertainty over the future gross margin of the group.

The group's net cash figure increased from an opening figure of £315,980 to a credit position of £742,474 as at 31st December 2016.

During the period the group funding of working capital increased by £335,736 principally arising from an increase in inventory which was only partly offset by increases in trade and other payables. Overall cash derived from operating activities generated £1.9m net of the increased working capital funding.

At 31st December 2016, the available headroom within the group's borrowing facilities amounted to £1,756,420. The directors are of the continued view that through its group banking partner it has sufficient access to financial resources.

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

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



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

Directors' report continued

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 United Kingdom Accounting Standards have been followed by the parent company and applicable IFRSs as adopted by the European Union have been followed by the group, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and to enable them to ensure that the financial statements and the directors' remuneration report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

SUBSCRIPTIONS AND DONATIONS

Charitable donations amounting to £1,467 (2015 - £2,233) were paid during the year. There were no donations to political organisations.

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
P. Tiffany, Director

26th April 2017



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

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 directors' remuneration

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

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

The only elements of remuneration that are pensionable are salary and bonuses.

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

Service contracts

Other than P. Tiffany, 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 2018.

The renewal of Mr. A. W. Walker's service contract is subject to approval of the whole board and has been previously approved until 30th March 2019.



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

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 2016 £	Total 2015 £	Pension contributions 2016 £	Pension contributions 2015 £
Executive directors							
O. N. A. Braime	-	206,503	3,259	209,762	188,138	-	-
A. Q. Braime	-	106,277	1,162	107,439	95,752	10,958	9,727
C. O. Braime	-	106,292	825	107,117	95,393	10,958	9,727
P. Tiffany	-	13,505	142	13,647	-	1,050	-
M. L. Mills	-	22,549	1,310	23,859	106,090	5,794	8,901
 P. J. O. Alcock	 25,500	 -	 -	 25,500	 24,000	 -	 -
A. W. Walker	25,500	-	-	25,500	24,000	-	-
	<u>51,000</u>	<u>455,126</u>	<u>6,698</u>	<u>512,824</u>	<u>533,373</u>	<u>28,760</u>	<u>28,355</u>
 Paid by the company	 <u>51,000</u>			 <u>51,000</u>	 <u>48,000</u>		

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

Approval

The directors' remuneration report was approved by the board on 26th April 2017.


P. Tiffany, Director



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

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 2016 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 14, 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. In addition, we read all the financial and non-financial information in the Chairman's Statement, Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31st December 2016 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; and
- 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.



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

Independent auditors' report continued

Opinion on other matter prescribed by the Companies Act 2006

In our opinion:

- the information given in the Chairman's Statement, Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company, and the group, and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors of the Strategic Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements 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 BA FCA

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

26th April 2017



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

Consolidated income statement for the year ended 31st December 2016

	Note	2016 £	2015 £
Revenue		28,415,449	26,470,084
Changes in inventories of finished goods and work in progress		337,116	886,480
Raw materials and consumables used		(15,890,401)	(15,529,776)
Employee benefits costs	6	(6,726,428)	(6,022,492)
Depreciation expense		(801,376)	(758,589)
Other expenses		(3,940,015)	(4,148,272)
Profit from operations	2	1,394,345	897,435
Profit on disposal of tangible fixed assets		-	1,158,140
Finance expense	4	(150,142)	(116,830)
Finance income	4	29,902	11,726
Profit before tax		1,274,105	1,950,471
Tax expense	5	(419,588)	(408,937)
Profit for the year		854,517	1,541,534
Profit attributable to:			
Owners of the parent		932,101	1,584,748
Non-controlling interests		(77,584)	(43,214)
		<u>854,517</u>	<u>1,541,534</u>
Basic and diluted earnings per share	18	59.34p	107.05p

Consolidated statement of comprehensive income for the year ended 31st December 2016

	Note	2016 £	2015 £
Profit for the year		854,517	1,541,534
Items that will not be reclassified subsequently to profit or loss			
Net remeasurement gain on post employment benefits	19.11	10,000	10,000
Items that may be reclassified subsequently to profit or loss			
Foreign exchange gains/(losses) on re-translation of overseas operations		597,976	(146,822)
Other comprehensive income for the year		607,976	(136,822)
Total comprehensive income for the year		1,462,493	1,404,712
Total comprehensive income attributable to:			
Owners of the parent		1,540,077	1,447,926
Non-controlling interests		(77,584)	(43,214)
		<u>1,462,493</u>	<u>1,404,712</u>

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

The notes on pages 23 to 51 form part of these financial statements



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

Consolidated balance sheet

at 31st December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Assets					
Non-current assets					
Property, plant and equipment	7	5,357,772		4,677,456	
Goodwill		12,270		12,270	
Financial assets	9	-		51,877	
Total non-current assets			5,370,042		4,741,603
Current assets					
Inventories	10	6,119,495		5,719,654	
Trade and other receivables	11	5,213,019		5,005,099	
Financial assets	9	51,877		57,777	
Cash and cash equivalents		742,474		931,018	
Total current assets			12,126,865		11,713,548
Total assets			17,496,907		16,455,151
Liabilities					
Current liabilities					
Bank overdraft		-		615,038	
Trade and other payables	12	4,181,683		4,053,220	
Other financial liabilities	13	1,730,288		1,498,171	
Corporation tax liability		146,703		66,854	
Total current liabilities			6,058,674		6,233,283
Non-current liabilities					
Financial liabilities	14	1,360,947		1,363,524	
Deferred income tax liability	15	117,724		230,235	
Total non-current liabilities			1,478,671		1,593,759
Total liabilities			7,537,345		7,827,042
Total net assets			9,959,562		8,628,109
Capital and reserves attributable to equity holders of the parent company					
Share capital	16		360,000		360,000
Capital reserve			257,319		257,319
Foreign exchange reserve			539,395		(58,581)
Retained earnings			9,005,528		8,194,467
Total equity attributable to the shareholders of the parent			10,162,242		8,753,205
Non-controlling interests			(202,680)		(125,096)
Total equity			9,959,562		8,628,109

The financial statements on pages 19 to 51 were approved and authorised for issue by the board of directors on 26th April 2017 and were signed on its behalf by:

O. N. A. Braime, Director

P. Tiffany, Director

Company Registration Number 488001

The notes on pages 23 to 51 form part of these financial statements



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

Consolidated cash flow statement for the year ended 31st December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Operating activities					
Net profit			854,517		1,541,534
Adjustments for:					
Depreciation	7	801,376		758,589	
Grants amortised		(6,568)		(1,656)	
Foreign exchange gains/(losses)		525,324		(146,677)	
Finance income	4	(29,902)		(11,726)	
Finance expense	4	150,142		116,830	
Gain on sale of land and buildings, plant, machinery and motor vehicles		(12,538)		(1,158,140)	
Adjustment in respect of defined benefits scheme		12,000		13,000	
Income tax expense	5	419,588		408,937	
Income taxes paid		(491,778)		(490,525)	
			<u>1,367,644</u>		<u>(511,368)</u>
Operating profit before changes in working capital and provisions			2,222,161		1,030,166
Increase in trade and other receivables		(207,920)		(93,991)	
Increase in inventories		(399,841)		(831,471)	
Increase in trade and other payables		<u>272,025</u>		<u>329,488</u>	
			<u>(335,736)</u>		<u>(595,974)</u>
Cash generated from operations			1,886,425		434,192
Investing activities					
Purchases of property, plant, machinery and motor vehicles		(998,617)		(1,010,401)	
Sale of land and buildings, plant, machinery and motor vehicles		12,538		1,190,561	
Interest received		<u>27,902</u>		<u>8,726</u>	
			<u>(958,177)</u>		<u>188,886</u>
Financing activities					
Proceeds from long term borrowings		-		300,000	
Loan financing repayments		57,777		90,346	
Repayment of borrowings		(101,917)		(171,020)	
Repayment of hire purchase creditors		(176,432)		(130,335)	
Interest paid		(150,142)		(116,830)	
Dividends paid		(131,040)		(131,040)	
			<u>(501,754)</u>		<u>(158,879)</u>
Increase in cash and cash equivalents			<u>426,494</u>		<u>464,199</u>
Cash and cash equivalents, beginning of period			<u>315,980</u>		<u>(148,219)</u>
Cash and cash equivalents, end of period	21		<u>742,474</u>		<u>315,980</u>



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

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

Note	Share Capital £	Capital Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total £	Non- Controlling Interests £	Total Equity £
Balance at 1st January 2015	360,000	257,319	88,241	6,730,759	7,436,319	(81,882)	7,354,437
Comprehensive income							
Profit	-	-	-	1,584,748	1,584,748	(43,214)	1,541,534
Other comprehensive income							
Net pension remeasurement gain recognised directly in equity	19	-	-	10,000	10,000	-	10,000
Foreign exchange losses on re-translation of overseas subsidiaries consolidated operations		-	(146,822)	-	(146,822)	-	(146,822)
Total other comprehensive income		-	(146,822)	10,000	(136,822)	-	(136,822)
Total comprehensive income		-	(146,822)	1,594,748	1,447,926	(43,214)	1,404,712
Transactions with owners							
Dividends	18	-	-	(131,040)	(131,040)	-	(131,040)
Total transactions with owners		-	-	(131,040)	(131,040)	-	(131,040)
Balance at 1st January 2016	360,000	257,319	(58,581)	8,194,467	8,753,205	(125,096)	8,628,109
Comprehensive income							
Profit	-	-	-	932,101	932,101	(77,584)	854,517
Other comprehensive income							
Net pension remeasurement gain recognised directly in equity	19	-	-	10,000	10,000	-	10,000
Foreign exchange gains on re-translation of overseas subsidiaries consolidated operations		-	597,976	-	597,976	-	597,976
Total other comprehensive income		-	597,976	10,000	607,976	-	607,976
Total comprehensive income		-	597,976	942,101	1,540,077	(77,584)	1,462,493
Transactions with owners							
Dividends	18	-	-	(131,040)	(131,040)	-	(131,040)
Total transactions with owners		-	-	(131,040)	(131,040)	-	(131,040)
Balance at 31st December 2016	360,000	257,319	539,395	9,005,528	10,162,242	(202,680)	9,959,562

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

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



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

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 26th April 2017.

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 52 to 60.

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

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.



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

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 new and amended IFRS's as of 1st January 2016.

- Amendments to IFRS 11 'Accounting for acquisitions of interests in joint operations'; effective on or after 1st January 2016.
- Amendment to IAS 27 'Equity method in separate financial statements'; effective on or after 1st January 2016.
- Amendments to IAS 16 and IAS 38 'Clarification of acceptable methods of depreciation and amortisation'; effective on or after 1st January 2016.
- Amendments to IAS 16 and IAS 41 'Agriculture: Bearer Plants'; effective on or after 1st January 2016.
- Amendments to IFRS 10, IFRS 12 and IAS 28 'Investment entities: Applying the consolidation exceptions'; effective on or after 1st January 2016.
- IAS 1 'Disclosure initiative'; effective on or after 1st January 2016.
- Annual improvements to IFRS's 2012-14 cycle IFRS 5, IFRS 7, IAS 19 and IAS 34; effective on or after 1st January 2016.

The impact of these new and amended IFRS's has not had a material impact on these financial statements.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1st January 2016 and not early adopted.

- IAS 12, 'Recognition of deferred tax assets for unrealised losses'; effective on or after 1st January 2017.
- Amendments to IAS 7, 'Disclosure initiative'; effective on or after 1st January 2017.
- IFRS 9, 'Financial instruments'; effective on or after 1st January 2018.
- IFRS 15, 'Revenue from contracts with customers'; effective on or after 1st January 2018.

- Clarifications to IFRS 15, 'Revenue from contracts with customers'; effective on or after 1st January 2018.
- Amendments to IFRS 2, 'Classification and measurements of share-based payment transactions'; effective on or after 1st January 2018.
- IFRS 14, 'Regulatory deferral accounts'.
- IFRS 16, 'Leases'; effective on or after 1st January 2019.

Other than in respect of the application of IFRS 16, the application and interpretations surrounding the other standards is not expected to have a material impact on the group's reported financial performance or position. However, they may give rise to additional disclosures being made in the financial statements.

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.



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

Notes to the accounts continued

1.6 Basis of consolidation

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases. The consolidated financial statements of 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.

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

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

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

1.7 Foreign currency

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 average rates of exchange. Any differences arising from this procedure have been charged/(credited) to the currency translation reserve in equity.



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

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 assets. 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.

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

1.9 Financial liabilities

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

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

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

Forward currency contracts are held at fair value and are used to hedge exchange risk arising on foreign currency transactions denominated in a currency other than the transacting entities' functional currency. No adjustment is made for the fair value of forward currency contracts where such adjustment is clearly not material to the results presented in the financial statements (note 17)

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

1.10 Cash and cash equivalents

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

1.11 Borrowing costs

All borrowing costs are expensed as incurred.

1.12 Pension obligations and short term employee benefits

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

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



Notes to the accounts continued

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

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

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

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

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

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

1.13 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' or 'hire purchase contract'), 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.

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

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



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

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

1.15 Research and development

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

1.16 Income taxes

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

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

Deferred tax liabilities where material are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without

discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

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

1.17 Dividends

Equity dividends are recognised when they become legally payable. In the case of dividends to equity shareholders, they are recognised when paid.

In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

1.18 Property, plant and equipment

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

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

- Land and buildings – 25 - 50 years
- Plant, machinery and motor vehicles – 3 - 5 years on a straight line basis



Notes to the accounts continued

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.



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

Notes to the accounts continued

2. PROFIT FROM OPERATIONS

	Note	2016 £	2015 £
This has been arrived at after charging/(crediting):			
Depreciation	7	801,376	758,589
Foreign exchange differences		(233,582)	5,686
Research and development costs		40,662	152,545
Write-down of inventory to net realisable value		158,213	54,356
Inventory recognised as an expense		15,553,285	14,643,296
Fees payable to the company's auditor:			
• for the audit of the company's annual accounts		6,000	5,250
• the audit of the company's subsidiaries, pursuant to legislation		31,000	26,750
• other services pursuant to legislation		3,000	3,000
Profit on disposal of fixed assets		(12,538)	(1,158,140)
Operating lease payments		<u>117,794</u>	<u>173,312</u>



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 2016.

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



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

Notes to the accounts continued

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

Geographical analysis

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

	Revenue 2016 £,000	Non-current assets 2016 £,000	Revenue 2015 £,000	Non-current assets 2015 £,000
UK	5,808	3,460	6,704	3,010
Europe	7,083	81	6,207	66
Americas	12,223	1,468	10,701	1,523
Africa	1,291	199	995	35
Asia	859	102	865	68
Australasia	<u>1,151</u>	<u>60</u>	<u>998</u>	<u>40</u>
	<u><u>28,415</u></u>	<u><u>5,370</u></u>	<u><u>26,470</u></u>	<u><u>4,742</u></u>

There is one group customer which accounts for more than 10% of the group's revenues.



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

Notes to the accounts continued

4. FINANCE INCOME AND EXPENSE

	Note	2016 £	2016 £	2015 £	2015 £
Finance expense					
Bank borrowings		127,184		101,001	
Hire purchase interest		<u>22,958</u>		<u>15,829</u>	
			<u>150,142</u>		<u>116,830</u>
Finance income					
Bank interest received		27,902		8,726	
Other finance income	19.6	<u>2,000</u>		<u>3,000</u>	
			<u>29,902</u>		<u>11,726</u>

5. TAX EXPENSE

		2016 £	2016 £	2015 £	2015 £
Current tax expense					
UK corporation tax					
UK tax expense on profits for the year		96,870		-	
Prior year adjustment		<u>-</u>		<u>-</u>	
			96,870		-
Foreign corporation tax					
Foreign tax expense on profits for the year		448,978		376,560	
Prior year adjustment		<u>(10,839)</u>		<u>(6,235)</u>	
			<u>438,139</u>		<u>370,325</u>
Current tax charge			535,009		370,325
Deferred tax – origination and reversal of timing differences	15	(114,571)		42,046	
Prior year rate difference	15	<u>(850)</u>		<u>(3,434)</u>	
			(115,421)		38,612
Total tax charge			<u>419,588</u>		<u>408,937</u>



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

Notes to the accounts continued

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:

	2016 £	2015 £
Profit before tax	<u>1,274,105</u>	<u>1,950,471</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20% (2015 – 20.25%)	254,821	394,971
Expenses not deductible for tax purposes	49,983	14,760
Income not taxable	(1,338)	(336)
Tax credits on research and development	(24,298)	(24,239)
Profit on property disposal non taxable	(178,852)	(137,492)
Foreign tax	160,964	161,282
Utilisation of tax losses	-	(5,058)
Deferred tax not provided	122,174	14,497
Prior year adjustment	(10,839)	(6,235)
Rate differences	<u>46,973</u>	<u>(3,213)</u>
	<u>419,588</u>	<u>408,937</u>

No deferred tax asset arising on tax losses, accelerated depreciation in excess of capital allowances or deferred tax liability in respect of the pension provision has been recognised as their future realisation is relatively uncertain. The amounts not recognised are estimated at £10,000, £45,000 and £(4,000) respectively (2015 – £11,000, £6,000 and £(9,000)) calculated at a rate of 17% (2015 – 18%).

6. EMPLOYEES

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

	Note	2016 No.	2015 No.
Office and management		88	81
Manufacturing		<u>70</u>	<u>64</u>
		<u>158</u>	<u>145</u>
Staff costs (including directors) comprise:		£	£
Wages and salaries		5,864,367	5,300,358
Defined contribution pension cost		192,292	147,076
Defined benefit pension cost	19.6	51,000	67,000
Other long-term employee benefits		25,808	25,198
Ex-gratia pensions		-	11,948
Employer's national insurance contributions and similar taxes		<u>638,970</u>	<u>566,673</u>
		<u>6,772,437</u>	<u>6,118,253</u>
Included in other expenses		<u>(46,009)</u>	<u>(95,761)</u>
		<u>6,726,428</u>	<u>6,022,492</u>
Directors' remuneration:			
Emoluments of qualifying services		512,824	533,373
Company pension contributions to money purchase schemes		<u>28,760</u>	<u>28,355</u>
		<u>541,584</u>	<u>561,728</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounts to 3 (2015 – 3) and under defined benefit pension schemes amounted to nil (2015 – nil). Further details of directors remuneration are included in the remuneration report.



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

Notes to the accounts continued

7. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £	Plant, machinery and motor vehicles £	Total £
At 31st December 2016			
Cost	3,033,034	9,105,922	12,138,956
Accumulated depreciation	141,860	6,639,324	6,781,184
Net book value	<u>2,891,174</u>	<u>2,466,598</u>	<u>5,357,772</u>
At 31st December 2015			
Cost	2,755,211	7,717,038	10,472,249
Accumulated depreciation	122,426	5,672,367	5,794,793
Net book value	<u>2,632,785</u>	<u>2,044,671</u>	<u>4,677,456</u>
Year ended 31st December 2016			
Opening net book value	2,632,785	2,044,671	4,677,456
Additions	272,660	1,096,851	1,369,511
Depreciation	(18,845)	(782,531)	(801,376)
Exchange differences	4,574	107,607	112,181
Closing net book value	<u>2,891,174</u>	<u>2,466,598</u>	<u>5,357,772</u>
Year ended 31st December 2015			
Opening net book value	1,974,532	2,081,974	4,056,506
Additions	722,626	689,481	1,412,107
Disposals	(30,771)	(1,650)	(32,421)
Depreciation	(31,515)	(727,074)	(758,589)
Exchange differences	(2,087)	1,940	(147)
Closing net book value	<u>2,632,785</u>	<u>2,044,671</u>	<u>4,677,456</u>

The net book value of tangible fixed assets includes an amount of £833,059 (2015 - £504,264) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £159,884 (2015 - £120,272).

Assets in the course of construction which have not been depreciated total £195,571.

The total cost of non-depreciable assets included in freehold land and buildings was £2,876,428 (2015 - £1,356,863).



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

Notes to the accounts continued

8. SUBSIDIARIES

Subsidiary	Principal activity	Proportion of shares held 2016 and 2015	
		Ordinary Shares	Preference Shares
i Registered in and operating from Hunslet Road, Leeds, West Yorkshire, LS10 1JZ, England: Braime Pressings Limited	Manufacture of metal presswork	100%	100%
4B Braime Components Limited	Distribution of bulk material handling components	100%	-
ii Registered at Hunslet Road, Leeds, West Yorkshire, LS10 1JZ England and operating from the USA: 4B Elevator Components Limited	Distribution of bulk material handling components	100%	-
iii Incorporated in and operating from 9 Route de Corbie, 80800 Lamotte Warfusee, France: 4B-France sarl	Distribution of bulk material handling components	100%	-
iv Incorporated in and operating from 899/1 Moo 20, Soi Chongsiri, Bangplee-Tam Ru Road, Samutprakam, 10540, Thailand: 4B Asia Pacific Company Limited	Distribution of bulk material handling components	48%	-
v Incorporated in and operating from 14 Newport Business Park, Mica Drive, Kya Sand, 2163 Johannesburg, South Africa: 4B Africa Elevator Components (Pty) Limited	Distribution of bulk material handling components	100%	-
vi Incorporated in and operating from Unit 1, 18 Overlord Place, Acacia Ridge, Queensland 4110, 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. As a consequence no single investor directly controls the investee however, given the operational management that the company demonstrates, it has the ability to direct the relevant activities and the decision making process such that it has power over the investee.

9. FINANCIAL ASSETS

	2016 £	2015 £
Secured loan to third party		
Amount due on loan within one year	51,877	49,977
Other loans (unsecured) due within one year	-	7,800
	<u>51,877</u>	<u>57,777</u>
Amount due on the loan within one to two years	-	51,877
Amount due on the loan within two to five years	-	-
Total amount due after more than one year	<u>51,877</u>	<u>51,877</u>
	<u>51,877</u>	<u>109,654</u>

The remaining secured loan accrues interest at 3.25% above the Bank of England base rate. The loan is repaid quarterly and is due to be fully repaid by the end of 2017.



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

Notes to the accounts continued

10. INVENTORIES

	2016	2016
	£	£
Raw materials	298,886	286,091
Work in progress	56,426	34,988
Finished goods	5,625,245	5,309,569
Goods in transit	138,938	89,006
	<u>6,119,495</u>	<u>5,719,654</u>

During the twelve months ended 31st December 2016 the group recognised a charge of finished goods inventories of £158,213 (2015 – £54,356) to reflect the ageing of certain stock items.

11. TRADE AND OTHER RECEIVABLES

	2016	2015
	£	£
Trade debtors	4,640,021	3,943,878
Other debtors	376,610	758,739
Prepayments	196,388	302,482
	<u>5,213,019</u>	<u>5,005,099</u>

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.

12. TRADE AND OTHER PAYABLES – CURRENT

	2016	2015
	£	£
Trade creditors	2,741,240	2,605,917
Other taxes and social security costs	190,602	316,552
Other creditors	304,335	267,662
Accruals	945,506	863,089
	<u>4,181,683</u>	<u>4,053,220</u>

13. OTHER FINANCIAL LIABILITIES – CURRENT

	Note	2016	2015
		£	£
Bank loans - secured	14	278,062	245,815
Hire purchase		226,192	169,884
Other creditors		1,226,034	1,082,472
		<u>1,730,288</u>	<u>1,498,171</u>

An analysis of the interest rate payable on financial liabilities and information about fair values is given in note 17.

Other creditors comprise of an invoice discounting facility which has been secured by a fixed and floating charge over certain assets of certain group companies.



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

Notes to the accounts continued

14. FINANCIAL LIABILITIES – NON-CURRENT

	Note	2016	2015
		£	£
Bank loans – secured		870,900	1,005,064
Hire purchase		490,047	351,892
Government grants		-	6,568
		<u>1,360,947</u>	<u>1,363,524</u>

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

	2016	2015
	£	£
In one year or less, or on demand	226,192	169,884
In more than one year but not more than five years	490,047	351,892
	<u>716,239</u>	<u>521,776</u>

Obligations under bank loan agreements comprise amounts payable as follows:

	2016	2015
	£	£
Within one year	278,062	245,815
One to two years	258,099	243,903
Two to five years	466,494	540,938
Over five years	146,307	220,223
	<u>1,148,962</u>	<u>1,250,879</u>

Terms and conditions of outstanding loans were as follows:

	Interest Rate	Year of maturity	2016	2015
	%		£	£
US dollar bank loan	4.25% fixed	2018	91,143	123,265
US dollar unsecured bank loan	3.00% fixed	2022	39,971	39,955
	2.25% over			
US dollar term loan	LIBOR	2023	694,952	668,062
	2.50% over			
	Bank of England			
GBP term loan	base rate	2019	123,562	159,597
	2.75% over			
	Bank of England			
GBP term loan	base rate	2020	199,333	260,000

The 4.25% fixed US dollar bank loan is secured on specific plant and equipment held by 4B Elevator Components Limited. The US dollar term loan and the GBP term loans form part of the group funding arrangements. These loans are secured by a fixed and floating charge over certain assets of certain group companies.



Notes to the accounts continued

15. DEFERRED INCOME TAX LIABILITY

Note	2016	2015
	£	£
Accelerated capital allowances in excess of depreciation	35,898	159,636
Rolled over capital gains	81,826	70,599
	<u>117,724</u>	<u>230,235</u>
	Deferred tax	
	£	
Balance at 1st January 2016	230,235	
Exchange differences	2,910	
Credit to income statement during the year	(115,421)	
Balance at 31st December 2016	<u>117,724</u>	

Deferred tax has been recognised at a rate of 39% (2015 – 39%) on accelerated capital allowances in 4B Elevator Components Limited and 17% (2015 – 18%) in respect of the company and Braime Pressings Limited.

16. SHARE CAPITAL

	2016	2015
	£	£
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
	<u>420,000</u>	<u>420,000</u>
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
	<u>360,000</u>	<u>360,000</u>

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.



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

Notes to the accounts continued

17. FINANCIAL INSTRUMENTS

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

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

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

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

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

Whilst finance leasing liabilities within notes 13 and 14 are included within financial liabilities they do not constitute a financial instrument.

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 £2,126,552 (2015 - £72,090) 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. Financial instruments carried at fair value are required to be measured by reference to the following levels:

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

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

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

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

Forward contracts

Forward currency contracts of £nil were outstanding at 31st December 2016 (31st December 2015 - £1,361,211). The fair value of the forward currency contracts is £nil (2015 - £41,785), of which £25,000 was included within trade and other payables in respect of these financial statements in 2015.

Fixed interest term loans

As at 31st December 2016 fixed interest rate term loans amounted to £91,143 and £39,971 (2015 - £163,220) (see note 14). The directors are of the opinion that the fair value of these fixed interest rate loans is not materially different to their stated carrying values.

Maturity analysis

Other than is disclosed in note 14 regarding bank loans and obligations under finance lease and hire purchase agreements all financial instruments fall due within one year.

In addition to the maturity analysis disclosed in note 14 the interest due on hire purchase agreements repayable within one year totals £24,674 (2015 - £21,205), the interest due on finance lease and hire purchase agreements after one year but not more than five years totals £46,173 (2015 - £41,747). Likewise the interest due on bank loans repayable within one year totals £28,071 (2015 - £31,937), the interest due on bank loans repayable after one year but not more than five years totals £69,214 (2015 - £60,199), and the interest due on bank loans repayable after more than five years totals £2,215 (2015 - £6,303).



T.F. & A.H. BRAIME (HOLDINGS) PLC

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 2016			
Sterling	(1,169,259)	-	(1,169,259)
Euro	288,448	-	288,448
US dollar	1,320,912	-	1,320,912
Other	351,469	-	351,469
	<u>791,570</u>	<u>-</u>	<u>791,570</u>

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

As at 31st December 2015

Sterling	124,944	-	124,944
Euro	227,538	-	227,538
US dollar	400,922	-	400,922
Other	279,468	-	279,468
	<u>1,032,872</u>	<u>-</u>	<u>1,032,872</u>



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

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 liabilities is shown below:

	Floating rate financial liabilities £	Fixed rate financial liabilities £	Total £
Currency			
As at 31st December 2016			
Sterling	1,528,810	652,433	2,181,243
Euro	20,121	-	20,121
US dollar	-	826,066	826,066
Other	63,805	-	63,805
	<u>1,612,736</u>	<u>1,478,499</u>	<u>3,091,235</u>
As at 31st December 2015			
Sterling	1,935,078	477,875	2,412,953
Euro	344,247	-	344,247
US dollar	505,844	163,220	669,064
Other	-	43,901	43,901
	<u>2,785,169</u>	<u>684,996</u>	<u>3,470,165</u>

Floating rate financial liabilities comprise bank borrowings.



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

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 2016					
Sterling	-	630,814	(66,729)	2,059,611	2,623,696
Euro	(1,035,690)	-	-	-	(1,035,690)
US dollar	558,441	(19,895)	-	-	538,546
	<u>(477,249)</u>	<u>610,919</u>	<u>(66,729)</u>	<u>2,059,611</u>	<u>2,126,552</u>
At 31st December 2015					
Sterling	-	151,930	(1,005,800)	1,833,969	980,099
Euro	(961,068)	-	-	-	(961,068)
US dollar	91,381	(38,322)	-	-	53,059
	<u>(869,687)</u>	<u>113,608</u>	<u>(1,005,800)</u>	<u>1,833,969</u>	<u>72,090</u>

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 £25,000 (2015 - 30,000).

A weakening in the value of sterling by 10% will benefit the operating profit by a figure not exceeding £238,000 (2015 - £30,000). A strengthening of sterling by 10% will reduce the operating profit by a figure not greater than £290,000 (2015 - £20,000).

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:

	2016 £	2015 £
Expiring in one year or less	<u>1,756,420</u>	<u>1,142,497</u>

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

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



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

Notes to the accounts continued

Foreign currency risk

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

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

It is group policy that transactions between group entities are generally denominated in the buying 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.

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 generally borrows at floating rates but some borrowing arrangements provide fixed interest payments for a proportion of its debt over a specified period. This enables the group to forecast borrowing costs with a degree of certainty.

Credit risk

The group is mainly exposed to credit risk from credit sales. It is group policy, implemented locally, to insure sales when insurance cover is available.

Quantitative disclosures have been made in note 11.

The group does not enter into complex derivatives to manage credit risk.

Capital risk

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



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

Notes to the accounts continued

18. EARNINGS PER SHARE AND DIVIDENDS

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

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

Dividends paid

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

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



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

Notes to the accounts continued

19. PENSION COSTS

19.1 The group operates a funded defined benefit pension scheme, Braime Pressings Limited Retirement Benefits Scheme, which provides benefits based on final salary and length of service on retirement, leaving service or death 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.

19.2 The scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the group must agree with the trustees of the scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective and contributions to pay for future accrual of benefits. A qualified actuary determines the contributions payable to the scheme. The most recent actuarial valuation was conducted at 6th April 2013. The market value of scheme assets at 6th April 2013 was £7,808,000. The funding level at 6th April 2013 was 101% on an ongoing basis.

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

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

19.3 The scheme exposes the company to a number of risks:

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

There were no plan amendments, curtailments or settlements during the period.

19.4 The expected return on assets is equivalent to the discount rate used to value the schemes liabilities and based on the yield available on high quality corporate bonds of appropriate term and currency.



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

Notes to the accounts continued

19.5 The amounts recognised in the balance sheet are as follows:

	Note	2016 £	2015 £
Fair value of scheme assets	19.8	8,781,000	7,271,000
Present value of funded obligations	19.7	(8,758,000)	(7,221,000)
Surplus		23,000	50,000
Adjustment in respect of minimum funding requirement		(23,000)	(50,000)
Net asset		-	-

19.6 The amounts recognised in the consolidated income statement are as follows:

	Note	2016 £	2015 £
Current service cost		51,000	51,000
Total included in employee benefits expense	6	51,000	51,000
Interest on liabilities		264,000	255,000
Interest on assets		(266,000)	(258,000)
	4	(2,000)	(3,000)
Past service cost	6	-	16,000
Total amounts recognised in the consolidated income statement		49,000	64,000

19.7 Changes in the present value of the defined benefit obligation are as follows:

	2016 £	2015 £
Opening defined benefit obligation	7,221,000	7,796,000
Current service cost	51,000	51,000
Contributions by scheme participants	9,000	8,000
Past service cost	-	16,000
Interest cost	264,000	255,000
Benefits paid	(196,000)	(596,000)
Remeasurement gains based on experience	(1,000)	-
Remeasurement gains due to changes in demographic assumptions	(214,000)	-
Remeasurement loss/(gain) from changes to financial assumptions	1,624,000	(309,000)
Closing defined benefit obligation	8,758,000	7,221,000

19.8 Changes in the fair value of plan assets are as follows:

	2016 £	2015 £
Opening fair value of scheme assets	7,271,000	7,847,000
Interest on assets	266,000	258,000
Return on scheme assets in excess of interest	1,392,000	(300,000)
Benefits paid	(196,000)	(596,000)
Employer contributions	39,000	54,000
Contributions by scheme participants	9,000	8,000
Closing fair value of scheme assets	8,781,000	7,271,000



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

Notes to the accounts continued

19.9 Analysis of fair value of plan assets between asset categories is as follows:

	% of Total Assets	2016 £	2015 £
Annuity policies in payment	60.3%	5,298,000	4,874,000
Equities – unquoted - overseas	9.8%	857,000	659,000
Equities – unquoted - UK	2.2%	195,000	167,000
Cash	2.2%	191,000	129,000
Money market funds – unquoted	-	2,000	2,000
With profit deferred annuities	25.5%	2,238,000	1,440,000
Total	100.0%	8,781,000	7,271,000

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

19.10 The actual return on scheme assets is as follows:

	2016 £	2015 £
Actual return/(loss) on scheme assets	1,658,000	(42,000)

19.11 Amount recognised in the statement of comprehensive income is as follows:

	2016 £	2015 £
Gain/(loss) on scheme assets in excess of interest	1,392,000	(300,000)
Remeasurement (loss)/gain from changes to financial assumptions	(1,624,000)	309,000
Changes in effect of asset ceiling	27,000	1,000
Experience gains	1,000	-
Gains from changes to demographic assumptions	214,000	-
Total amount recognised in statement of comprehensive income	10,000	10,000

19.12 Cumulative amount of remeasurement gains and losses recognised in the statement of comprehensive income is as follows:

	2016 £	2015 £
Remeasurement gains	327,000	317,000

19.13 Amounts for the current period and previous periods are as follows:

	2016 £,000	2015 £,000	2014 £,000	2013 £,000	2012 £,000
Present value of funded obligations	(8,758)	(7,221)	(7,796)	(6,505)	(6,295)
Fair value of scheme assets	8,781	7,271	7,847	6,513	6,328
Surplus	23	50	51	8	33
Experience gains on plan liabilities	1	-	-	45	-
Gains from changes to demographic assumptions	214	-	-	(106)	-
Changes in assumptions used to value scheme liabilities	(1,624)	309	(995)	118	(573)
Gains/(losses) on scheme assets in excess of interest	1,392	(300)	1,082	(51)	566



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

Notes to the accounts continued

19.14 Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2016	2015	2014	2013	2012
Discount rate	2.60%	3.70%	3.40%	4.40%	4.10%
Salary increase	4.65%	4.45%	4.30%	4.70%	4.10%
Inflation	3.65%	3.45%	3.30%	3.70%	3.10%
Expected return on scheme assets	2.60%	3.70%	3.40%	5.00%	4.10%
LP15 pension increase	3.50%	3.30%	3.20%	3.55%	3.10%
Revaluation in deferment	3.65%	3.45%	3.30%	3.70%	3.10%
Post retirement mortality table	110%	120%	120%	120%	120%
	S2NA	PNA00	PNXA00	PNXA00	PNXA00
	YoU mc	YoU mc	YoU mc	YoU mc	YoU mc
	min	min	min	min	min
	1.0%	1.0%	1.0%	1.0%	1.0%

19.15 The group is required to agree a schedule of contributions with the Trustees of the scheme following a valuation which must be carried out at least once every three years. The next valuation of the scheme is due as at 6th April 2016 and is currently being completed. In the event that the actuarial valuation reveals a larger deficit than expected the company may be required to increase contributions above those set out in the existing schedule of contributions. Conversely, if the position is better than expected contributions may be reduced.

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 £42,000.

The weighted average duration of the defined benefit obligation is approximately 17.9 years.

19.16 The amounts recognised in the balance sheet are as follows:

	Note	2016 £	2015 £
Net asset at start of period		-	-
Pension cost	19.6	(49,000)	(64,000)
Employer contributions		39,000	54,000
Remeasurement gain recognised recognised in the statement of comprehensive income	19.11	10,000	10,000
Net asset at end of period		<u>-</u>	<u>-</u>



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

Notes to the accounts continued

19.17 Sensitivity of the value placed on the surplus (before minimum funding requirement adjustment)

Adjustments to assumptions	Approximate effect on surplus £
Discount rate	
Plus 0.50%	159,000
Minus 0.50%	(182,000)
Inflation	
Plus 0.50%	(286,000)
Minus 0.50%	281,000
Salary increase	
Plus 0.50%	(83,000)
Minus 0.50%	79,000
Life expectancy	
Plus 1.0 years	(19,000)
Minus 1.0 years	24,000
% With-profit deferred annuities converted on retirement using guaranteed annuity rates	
Plus 10.00%	204,000
Minus 10.00%	(204,000)

Note that the above sensitivities are approximate and only show the likely effect of an assumption being adjusted whilst all other assumptions remain the same.

The sensitivity analysis shown above was determined using the same method as per the calculation of liabilities for the balance sheet disclosures, but using assumptions adjusted as detailed above.

20. OPERATING LEASES

The group has entered into commercial leases on certain properties, motor vehicles and items of plant and equipment. At the balance sheet date, the group had outstanding commitments for minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Not later than one year	132,328	173,028
Later than one year and not later than five years	148,904	197,186
Over five years	22,750	-
	<u>303,982</u>	<u>370,214</u>



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

Notes to the accounts continued

21. NOTES SUPPORTING CONSOLIDATED CASH FLOW STATEMENT

	2016 £	2015 £
Cash and cash equivalents		
Cash at bank and in hand	742,474	931,018
Bank overdrafts	-	(615,038)
	<u>742,474</u>	<u>315,980</u>

Major non-cash transaction

During the year the group acquired tangible assets of £370,895 subject to finance (2015 - £254,782) under hire purchase agreements.

22. CAPITAL COMMITMENTS

There were capital commitments of £nil (2014 - £426,817) which are contracted but not provided for in these financial statements.

23. RELATED PARTY TRANSACTIONS

The key management of the company are considered to be the directors of the company.

Key management compensation is disclosed in the directors' remuneration report.

During the year certain group companies made sales and recharged expenses to 4B Asia Pacific Company Limited, a 48% owned subsidiary of T.F. & J.H. Braime (Holdings) P.L.C.; totalling £399,185. Group companies also made purchases of £22,552 from 4B Asia Pacific Company Limited.

As at 31st December 2016 amounts due from 4B Asia Pacific Company Limited totalled £962,065, exclusive of provision of £405,000 and £38,445 was due to 4B Asia Pacific Company Limited.

There were no other related party transactions during the year.



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

Company balance sheet

at 31st December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Property, plant and equipment	3		2,130,175		-
Investment property	4		4,533,081		1,349,619
Investments	5		<u>598,351</u>		<u>598,351</u>
			7,261,607		1,947,970
Current assets					
Debtors: due within one year	8	1,316,345		31,507	
Debtors: due after more than one year	9	-		3,256,084	
Cash at bank and in hand		<u>2,887</u>		<u>18,860</u>	
		1,319,232		3,306,451	
Creditors: amounts falling due within one year					
Amount owed to subsidiary companies		2,603,965		-	
Other creditors falling due within one year	10	<u>335,565</u>		<u>306,697</u>	
		2,939,530		306,697	
Net current (liabilities)/assets			(1,620,298)		2,999,754
Total assets less current liabilities			5,641,309		4,947,724
Creditors: amounts falling due after more than one year					
Provisions for liabilities	11		615,397		1,345,708
	12		<u>340,198</u>		<u>75,312</u>
			4,685,714		3,526,704
Capital and reserves					
Called up share capital	13		360,000		360,000
Capital redemption reserve			180,000		180,000
Retained earnings			<u>4,145,714</u>		<u>2,986,704</u>
Shareholders' funds			4,685,714		3,526,704
Company's profit for the financial year			1,290,050		125,425

These financial statements were approved and authorised for issue by the board of directors on 26th April 2017 and signed on its behalf by:

O. N. A. Braime, Director

P. Tiffany, Director

The notes on pages 54 to 60 form part of these financial statements



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

Company statement of changes in equity

for the year ended 31st December 2016

	Called up Share Capital	Capital Redemption Reserve £	Retained Earnings £	Total £
Balance at 1st January 2015	360,000	180,000	2,992,319	3,523,319
Comprehensive income for the financial year – profit	-	-	125,425	125,425
Dividends paid	-	-	(131,040)	(131,040)
Balance at 31st December 2015	<u>360,000</u>	<u>180,000</u>	<u>2,986,704</u>	<u>3,526,704</u>
Comprehensive income for the financial year – profit	-	-	1,290,050	1,290,050
Dividends paid	-	-	(131,040)	(131,040)
Balance at 31st December 2016	<u>360,000</u>	<u>180,000</u>	<u>4,145,714</u>	<u>4,685,714</u>

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

The retained earnings represents cumulative profit or losses net of dividends and other adjustments. Included within retained earnings is a non-distributable amount of £299,686.



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

Notes to the accounts continued

1. COMPANY INFORMATION

T.F. & J.H. Braime (Holdings) P.L.C. is a company limited by shares, incorporated in England & Wales. Its registered office is given on page 3. The company is a holding company. Details of the group's activities are provided on page 8.

2. ACCOUNTING POLICIES

2.1 Accounting convention

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

The financial statements have been prepared under the historical cost convention modified to include certain items at fair value.

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

2.2 Financial Reporting Standard 102 – reduced disclosure exemptions

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

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

2.3 Property, plant and equipment

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

Depreciation is provided on all tangible assets, other than investment properties at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life.

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

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

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

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

2.4 Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any charge recognised in the profit and loss account.

2.5 Financial instruments

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

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



Notes to the accounts continued

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

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

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

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

2.6 Impairment of assets

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

Non financial assets

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

Financial assets

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

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

2.7 Cash and cash equivalents

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

2.8 Investments

Investments in subsidiaries are measured at cost less impairment.

2.9 Taxation

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

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



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

Notes to the accounts continued

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

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

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

2.10 Foreign currencies

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

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

2.11 Hire purchase and leasing commitments

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

2.12 Critical accounting judgements and sources of estimation uncertainty

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

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

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

Valuation of investment property

As described in note 4 to the financial statements, investment property is stated in the balance sheet at fair value, based on the valuation performed by the directors with reference to recent valuations carried out by professionals who have experience in the location and category of the properties valued. The year end valuation has been linked to observable market prices.



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

Notes to the accounts continued

3. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1st January 2016	-	-	-	-
Additions	2,468,035	82,149	1,562	2,551,746
Disposals	-	-	-	-
At 31st December 2016	<u>2,468,035</u>	<u>82,149</u>	<u>1,562</u>	<u>2,551,746</u>
Depreciation				
At 1st January 2016	-	-	-	-
Provided for the year	405,930	14,079	1,562	421,571
Disposals	-	-	-	-
At 31st December 2016	<u>405,930</u>	<u>14,079</u>	<u>1,562</u>	<u>421,571</u>
Net book value				
At 31st December 2016	<u>2,062,105</u>	<u>68,070</u>	<u>-</u>	<u>2,130,175</u>
At 31st December 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The net book value of tangible fixed assets includes an amount of £661,614 in respect of assets under finance leases and hire purchase contracts. The related depreciation on these assets for the year was £82,289. Assets in the course of construction which have not been depreciated total £195,571.

4. INVESTMENT PROPERTY

	Land and buildings £
Fair value	
At 1st January 2016	1,349,619
Additions	2,907,462
Fair value adjustment	276,000
At 31st December 2016	<u>4,533,081</u>

The investment properties, which are all freehold were adjusted to fair value at 31st December 2016 of £4,533,081 by the company's directors. The valuations are based on open market values linked to observable market prices with reference to recent professional valuations conducted on the properties.

The historical cost of the investment properties is £2,846,645.



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

Notes to the accounts continued

5. INVESTMENTS

Subsidiary undertakings

At 1st January 2016 and 31st December 2016 £
598,351

		Proportion of shares held 2016 and 2015	
Subsidiary	Principal activity	Ordinary Shares	Preference Shares
i Registered in and operating from Hunslet Road, Leeds, West Yorkshire, LS10 1JZ, England: Braime Pressings Limited	Manufacture of metal presswork	100%	100%
4B Braime Components Limited	Distribution of bulk material handling components	100%	-
ii Registered at Hunslet Road, Leeds, West Yorkshire, LS10 1JZ, England and operating from the USA: 4B Elevator Components Limited	Distribution of bulk material handling components	100%	-
iii Incorporated in and operating from 9 Route de Corbie, 80800 Lamotte Warfusee, France: 4B-France sarl	Distribution of bulk material handling components	100%	-
iv Incorporated in and operating from 899/1 Moo 20, Soi Chongsiri, Bangplee-Tam Ru Road, Samutprakam, 10540, Thailand: 4B Asia Pacific Company Limited	Distribution of bulk material handling components	100%	-
v Incorporated in and operating from 14 Newport Business Park, Mica Drice, Kya Sand, 2163 Johannesburg, South Africa: 4B Africa Elevator Components (Pty) Limited	Distribution of bulk material handling components	100%	-
vi Incorporated in and operating from Unit 1, 18 Overlord Place, Acacia Ridge, Queensland, 4110, Australia: 4B Australia Pty Limited	Distribution of bulk material handling components	100%	-

6. EMPLOYEES

	2016 Number	2015 Number
Office and management	<u>6</u>	<u>6</u>
Directors' remuneration	£	£
Emoluments for qualifying service	<u>51,000</u>	<u>48,000</u>

Further details of directors' remuneration are included in the remuneration report.



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

Notes to the accounts continued

7. PROFIT FOR THE FINANCIAL YEAR

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

8. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	2016	2015
	£	£
Other taxes	6,288	14,263
Prepayments	43,930	17,244
Amounts owed by a subsidiary company	<u>1,266,127</u>	<u>-</u>
	<u>1,316,345</u>	<u>31,507</u>

9. DEBTORS: AMOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Amount owed by a subsidiary company	<u>-</u>	<u>3,256,084</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank overdraft	-	163,870
Bank loan - secured	108,230	100,000
Other taxes and social security costs	-	3,234
Corporation tax	1,178	-
Trade creditors	7,821	14,736
Accruals	33,705	24,857
Hire purchase - secured	<u>184,631</u>	<u>-</u>
	<u>335,565</u>	<u>306,697</u>

Cross guarantees exist in respect of all group company bank borrowings. At 31st December 2016 the borrowings guaranteed by the company amounted to £970,665 (2015 - £883,072).



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

Notes to the accounts continued

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

	2016	2015
	£	£
Bank loan - secured	214,666	319,598
Amount owed to subsidiary companies	-	1,026,110
Hire purchase creditor - secured	400,731	-
	<u>615,397</u>	<u>1,345,708</u>

The bank loan and hire purchase creditors are secured by fixed charges over certain assets of the company.

12. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax liability		
Rolled over capital gains	71,816	60,000
Investment property fair value adjustment	268,382	15,312
	<u>340,198</u>	<u>75,312</u>
	Deferred tax	
	£	
Balance at 1st January 2016	75,312	
Charged to income statement during the year	264,886	
Balance at 31st December 2016	<u>340,198</u>	

Deferred tax has been recognised at a rate of 17% (2015 – 18%) based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

13. SHARE CAPITAL

	2016	2015
	£	£
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
	<u>420,000</u>	<u>420,000</u>
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
	<u>360,000</u>	<u>360,000</u>

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.



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

Five year record

	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Turnover	28,415	26,470	24,292	22,954	21,212
Profit from operations	1,394	897	1,236	1,075	659
Profit before tax	1,274	1,950	1,125	1,010	678
Profit after tax	855	1,542	782	752	427
Basic and diluted earnings per share	59.34p	107.05p	54.31p	52.23p	29.64p



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

Explanatory notes of resolutions

The following notes give an explanation of the proposed resolutions. Resolutions 1 to 4 inclusive are proposed as Ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

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

BUSINESS TO BE TRANSACTED AT THE AGM

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

Ordinary resolutions

1. To receive and adopt the report and accounts

The directors are required to present the accounts for the year ended 31st December 2016 to the meeting.

2. Confirmation of dividends

To confirm the interim dividend on the ordinary and 'A' ordinary shares of 2.90p per share paid on 21st October 2016 and 6.40p per share paid on 12th May 2017.

3. Re-appointment of directors

The Articles of Association of the company require the nearest number to one third of the directors to retire at each Annual General Meeting. Accordingly, P. Tiffany and P. J. O. Alcock are retiring by rotation in accordance with the Company's Articles of Association and, being eligible, offer themselves for re-election.

4. Re-appointment of auditors

The company is required to appoint auditors at each Annual General Meeting to hold office until the next such meeting at which accounts are presented. The resolution proposes the reappointment of the company's existing auditors, Kirk Newsholme, and authorises the directors to agree their remuneration.



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

B

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



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

