

Sales of £5.21m for the first six months of 2006 were almost unchanged compared to the same period of 2005 (£5.14m). However, the operating loss increased from £104,000 in 2005 to £225,000 in 2006 and after adjusting for finance costs, the net group loss increased from £81,000 to £218,000. The directors have decided that, in these circumstances, it is not possible to pay an interim dividend.

The unsatisfactory result is due to the continuing losses sustained by our manufacturing business.

During the first half of 2006, a significant restructuring program, regrettably including redundancies, has been undertaken to reduce the overhead costs of Braime Pressings Limited. Two substantial long term contracts for new presswork have been secured. Supplies to one of the new customers began in mid July. In the case of the second customer, tooling orders were placed in early September and production is due to commence in March/April 2007. The combined effect of the reduction in our overhead costs and the contribution from the additional work will return the group to profit in 2007, providing the other subsidiaries continue to trade satisfactorily.

Condensed Consolidated Income Statement for the period ended 30th June 2006

	Note	2006 £	2005 £ As re-stated
Sales revenue		5,210,460	5,140,165
Operating loss		(224,932)	(103,557)
Finance costs		(140,514)	(111,740)
Finance income		147,204	134,632
Result for the period before tax		(218,242)	(80,665)
Tax expense		-	-
Net result for the period		(218,242)	(80,665)
Basic loss per share		(15.16p)	(5.60p)

Condensed Consolidated Statement of Recognised Income and Expense for the period ended 30th June 2006

	Six months to 30th June 2006	Six months to 30th June 2005
Exchange difference on translation of foreign operations	(8,152)	2,792
Net income recognised in equity	(8,152)	2,792
Loss for period	(218,242)	(80,665)
Total recognised income and expense for the period	(226,394)	(77,873)
Attributable to:		
Equity holders of T.F. & J.H. Braime (Holdings) P.L.C.	(226,394)	(77,873)

Consolidated Balance Sheet at 30th June 2006

	30th June 2006	30th June 2005	31st December 2005
Assets			
Non-current assets			
Property, plant and equipment	703,696	587,334	737,867
Employee benefits	-	75,000	-
Total non-current assets	703,696	662,334	737,867
Current assets			
Inventories	2,220,453	2,412,309	2,342,363
Trade and other payables	2,280,117	2,554,732	1,832,979
Cash and cash equivalents	1,441,823	1,493,715	1,567,840
Total current assets	5,942,393	6,460,756	5,743,182

Total assets	6,646,089	7,123,090	6,481,049
Liabilities			
Current liabilities			
Bank overdraft	1,603,102	1,338,305	1,410,300
Trade and other payables	1,094,099	1,480,636	861,945
Other financial liabilities	178,008	133,854	177,170
Corporation tax liability	-	10,000	33,033
Total current liabilities	2,875,209	2,962,795	2,482,448
Non-current liabilities			
Financial liabilities	326,199	246,820	347,526
Employee benefits	118,000	-	98,000
Total non-current liabilities	444,199	246,820	445,526
Total liabilities	3,319,408	3,209,615	2,927,974
Total net assets	3,326,681	3,913,475	3,553,075
Capital and reserves attributable to equity holders of the parent company			
Share capital	360,000	360,000	360,000
Capital reserve	77,319	77,319	77,319
Foreign exchange reserve	669	(6,345)	8,821
Retained earnings	2,888,693	3,482,501	3,106,935
Total equity	3,326,681	3,913,475	3,553,075

Consolidated Cash Flow Statement for the period ended 30th June 2006

	2006	2005
	£	£
		As re-stated
Operating activities		
Result for the period before tax	(224,932)	(103,557)
Adjustments		
Changes in inventories	121,910	(296,628)
Change in trade and other receivables	(447,138)	(90,138)
Change in trade and other payables	232,154	386,325
Employer contribution	(54,000)	(56,000)
Current service cost	96,000	82,000
Depreciation	66,305	52,990
Profit on sale of fixed assets	-	(3,316)
Grants amortised	(828)	(828)
Taxes paid	(33,033)	(14,566)
Taxes recovered	-	-
Foreign exchange differences	(8,314)	10,856
	(26,944)	70,695
Investing activities		
Additions to property, plant and equipment	(41,294)	(92,909)
Proceeds from disposal of property, plant and equipment	9,160	3,318
Interest received	23,204	24,632
	(8,930)	(64,959)
Financing activities		
Repayment of hire purchase liabilities	(20,499)	(16,568)
Interest paid	(37,514)	(17,740)
Dividends paid	-	(47,700)
	(58,013)	(82,008)
Cash and cash equivalents, beginning of period	157,540	335,232
Net decrease in cash and cash equivalents	(318,819)	(179,829)
Cash and cash equivalents, end of period	(161,279)	155,403

T.F. & J.H. Braime (Holdings) P.L.C.
D. H. Brown
Company Secretary

20th September 2006