BRAIME GROUP PLC
(formerly T.F. & J.H. BRAIME (HOLDINGS) P.L.C.)
("Braime" or the "Company" and with its subsidiaries the "Group")

ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2020

At a meeting of the directors held today, the accounts for the year ended 31st December 2020 were submitted and approved by the directors. The accounts statement is as follows:

Chairman's statement

Overview of the year
Group sales revenue in 2020 reduced marginally by 2% from £33.4m to £32.8m but the profit before tax fell by over 30% from £1.75m in the previous year to £1.2m in 2020. The disproportionate reduction in the profit before tax was due in part to the strengthening in the value of Sterling against the currencies in our principal markets but also due to the much higher costs of maintaining production and sales during the Covid pandemic.

In normal circumstances, the result in 2020 would be very disappointing but in the quite exceptional circumstances which affected the Group globally throughout 2020, the result achieved was significantly better than we had dared hope for during much of the year. Throughout the crisis, we achieved our twin aims of maintaining the full employment of our valued staff, while consistently continuing to supply our vital customer base.

We were only able to achieve this due to two factors; firstly the work and enterprise of our management teams across all parts of our Group, who successfully adapted our working practices and put in place measures which minimised the risk to our employees of continuing to work in very difficult circumstances; secondly, the courage and the flexibility of our employees themselves in continuing to work throughout the year and their willingness to work the extra hours asked of them in order to compensate for the hours lost by unavoidable absences or quarantine. As always, and even more so in 2020, we depend on the efforts and the huge contribution made by all our employees.

Having survived as a business through the past very challenging 12 months, we are starting this new year with a lot of renewed positivity. The Group remains in a solid position financially; this enables us to continue to invest in the future and in our ongoing plans to secure more business through continually improving our operations and our products.

Capital investments
During the pandemic, we worked hard to preserve our working capital resources and in 2020 we generated £2.7m from our operations, compared to £1.7m in the previous year.

Nevertheless, we invested during the year a total of £2.1m, of which £1.5m was spent on building our new €2.2m sales and distribution facility in France which we announced last year. We had planned to occupy the new facility by February 2021 but construction was delayed by the Covid restrictions and we now plan to re-locate during May this year.

We also continued the major investment, started in 2019, in another robotic production cell and took advantage of an opportunity to purchase at auction, and refurbish internally, a very large wide coil fed 400 tonne mechanical press. Installation and commissioning of the latter investment enabled us to take on specific new work in December.

Meanwhile we continue to invest time and energy in the development of new products, including some which will be launched later this year. We fund these development activities out of our profits.

Dividend
In October 2020, the Company paid a first Interim dividend of 4.0p. Given what we believe was a very positive result in exceptional circumstance, and the strength of our overall financial position, the board proposes to pay a second interim dividend of 7.8p, making a total of 11.8p for the year, compared to 11.6p in 2019.

The second dividend of 7.8p will be paid on the 25th of May 2021 to the holders of the Ordinary and 'A' Ordinary shares on the share register on 7th May 2021. The ex-dividend date is 6th May 2021.

Free Trade Agreement with the EU
We were pleased that, at the very last minute, economic "common sense" prevailed and a mutually beneficial Free Trade Agreement was signed between the UK and the EU.

Although around three-quarters of our group sales are made outside the EU, the European economic area remains a very important market for us. As a result of the trade agreement, even when our exports to the EU include raw materials sourced globally, our valued European customers can continue to purchase of our products duty free. Equally important, the Free Trade Agreement enables us to continue to purchase and re-export supplies sourced from existing partners in the EU.

We are fortunate that as a company we are well used to the preparation of the standard documentation required to export globally. Apart from one or two "hiccups "in the first weeks of January, while we adapted our documentation to meet the new EU requirements, our exports and imports to and from the EU have continued seamlessly. The final resolution of this long-standing issue will also now allow us to reduce the high levels of stocks built up in our businesses, both in the UK and France, in order to mitigate the situation in a worst-case scenario.

Important information regarding the AGM

The Company is closely monitoring public health guidance and legislation issued by the UK government in relation to the Covid pandemic. At the time of writing, the government continues to place restrictions on mass gatherings and social contact. However, it is expected shareholder attendance will be possible under the government's published roadmap and we are therefore proposing to go ahead with an open meeting. Shareholders intending to attend the AGM are asked to register their intention as soon as possible by emailing investor@braime.co.uk.

The health and safety of our colleagues and shareholders is very important to us. Given the constantly evolving nature of the situation, should circumstances change such that we consider it is no longer possible for shareholders to attend the meeting or limiting the numbers in attendance is required, we will notify shareholders through the Company's website www.braimegroup.com and, where appropriate, by a Regulatory News Service announcement.

For the same reason of uncertainty, we strongly encourage all shareholders to exercise their votes by submitting their proxy by post in advance of the meeting and shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy. Details of how to do this are set out in the notes accompanying notes to the Notice. This will ensure that your votes are cast in accordance with your wishes.

Irrespective of the guidelines in place at the time of the 2021 AGM, we understand that some shareholders may not wish to travel but may still wish to ask questions of the board. Any questions should be emailed to investor@braime.co.uk in advance and we will endeavour to add a synopsis of all questions and answers to our website shortly after the meeting.

Current trading, outlook, and risks

We have continued to support our customers worldwide throughout the pandemic, and have proved the resilience of our business. Hopefully we are now finally emerging in a relatively strong position, and do so with renewed enthusiasm.

In spite of the major difficulties and challenges faced in 2020, we have learnt valuable lessons on how to adapt our processes to continue communication with our customers without direct contact. However, the substantial improvements we have made this year to maintain "virtual" contact with our customers will never replace the importance of visiting and meeting our customers face to face and we will re-commence direct customer contact and our participation in trade exhibitions at the earliest opportunity. Our business has been built on the lessons learnt and the ideas created by close and regular contact with our customers and all our product development is rooted in this process.

Meanwhile, we have still been able to continue to invest time and resources to improve our operations and develop new products, and this remains our long-term strategy. Although the intake of new orders remains patchy, overall, we can see a gradual increase in confidence and in the number of new projects generated by our customers worldwide.

Currently a major area of concern across the Group is the sudden steep increase in the cost of raw materials and the related issue of longer delivery times of both inbound raw materials and outbound deliveries to customer; both have been caused by the Covid pandemic which has led to a major imbalance in container traffic and deep-sea shipping. Adjusting to constantly fluctuating material costs, while continuing to remain competitive and retain our customers without seriously eroding our margins, is a going again to be a challenging and time-consuming process.

Our product mix is well balanced and one of our strengths and is made up by the combination of the manufacture of components for commercial vehicles and the manufacture and distribution of components used in the material handling and processing of granular commodities, particularly food related. As a Group our worldwide sales are weighted towards regions which offer the potential for significant long-term growth.

Over 80% of Group sales are made in overseas markets and a significant proportion of our products are still manufactured and exported from the UK but sold in local currencies. In recent years, the Group has benefited from a gradual decline in the value of Sterling and this has increased our ability to compete. In contrast, we remain exposed to any sudden strengthening of the Pound. This point has been made before but it remains very pertinent.

Nicholas Braime, Chairman

27th April 2021

For further information please contact:

Braime Group PLC
Nicholas Braime/Cielo Cartwright
0113 245 7491

W. H. Ireland Limited
Katy Mitchell
0113 394 6628

The directors present their strategic report of the Company and the Group for the year ended 31st December 2020.

Principal activities

The principal activities of the Group during the year under review was the manufacture of deep drawn metal presswork and the distribution of material handling components and monitoring equipment. Manufacturing activity is delivered through the Group's subsidiary Braime Pressings Limited and the distribution activity through the Group's 4B division.

Braime Pressings specialises in metal presswork, including deep drawing, multi-stage progression and transfer presswork. Founded in 1888, the business has over 130 years of manufacturing experience. The metal presswork segment operates across several industries including the automotive sector and supplies external as well as group customers.

The subsidiaries within the 4B division are industry leaders in developing high quality, innovative and dependable material handling components for the agricultural and industrial sectors. They provide a range of complementary products including elevator buckets, elevator and conveyor belting, elevator bolts and belt fasteners, forged chain, level monitors and sensors and controllers for monitoring safety and providing preventative maintenance systems which facilitate handling and minimise the risk of explosion in hazardous areas. The 4B division has operations in the Americas, Europe, Asia, Australia and Africa and in 2020 traded in ninety-seven countries. The US subsidiary also has an injection-molding plant. All injection-molded products are made wholly for internal consumption and this is classed as 4B division activity rather than included in the manufacturing segment.

Performance highlights

For the year ended 31st December 2020, the Group generated revenue of £32.8m, down £0.6m from prior year. Profit from operations was £1.4m, down £0.8m from prior year. EBITDA was £2.7m. At 31st December 2020, the Group had net assets of £15.0m. The full year results are better than expectations at the half-year, when there was even greater uncertainty facing the global business as a result of the Covid-19 pandemic and ensuing lockdown. The Group benefitted from the forgiveness of £0.4m of the government loan which we reported in the half year had been received by our US subsidiary. The loan was forgiven after the business demonstrated that it had maintained its employee numbers despite a reduction in sales from the pandemic.

Cash flow

Inventories increased by £0.3m as the business judiciously prepared for the United Kingdom's departure from the EU by building up a buffer of certain inventory lines, and trade and other receivables increased by £0.4m reflecting increased customer activity close to the year end for the same reason. These were more than offset by an increase in our trade and other payables of £0.9m. In total the business generated funds from operations of £2.7m (2019 - £1.7m). The group continued its programme of investment during the year, spending £2.1m on capital items; £1.5m of this was on the construction of the new warehouse in France which was announced by the Group in our 2019 annual report. After the payment of other financial costs and the dividend, the cash balance (net of overdraft) was £1.2m, an increase of £0.5m from the prior year.

Bank facilities

The Group's operating banking facilities are renewed annually. As announced early last year, the €2.2m French warehouse construction is being funded largely through the procurement of a syndicated loan of €1.7m from BNP and Credit du Nord and the remaining from Group cashflows. Our facility with HSBC provides ample headroom for the Group to make the necessary investments in the year. The business continues to enjoy good relations with its bankers who are cognizant of the general economic uncertainties facing the business as the global economy continues to suffer from the effects of the pandemic.

Taxation

The tax charge for the year was £0.3m, with an effective rate of tax of 28.5% (2019 – 23%). The effective rate is higher than the standard UK tax rate of 19% (2019 – 19%), this results from the blending effect of the different rates of tax applied by each of the countries in which the Group operates, in particular, our US operations' tax charge affects the blended rate. In any financial year the effective rate will depend on the mix of countries in which profits are made, however the Group continues to review its tax profile to minimise the impact.

Capital expenditure

In 2020, the Group invested £2.1m (2019 - £1.7m) in property, plant and equipment. In addition to £1.5m of the French warehouse construction, the Group also invested in a 400 ton press, an automated tap plate assembly, more robotics and expanded its bucket tooling portfolio.

Balance sheet

Net assets of the Group have increased to £15.0m (2019 - £14.3m). A foreign exchange loss of £0.1m (2019 – £0.3m) was recorded on the re-translation of the net assets of the overseas operations, which has decreased retained earnings in the year.

Principal exchange rates

The Group reports its results in sterling, its presentational currency. The Group operates in six other currencies and the principal exchange rates in use during the year and the comparative figures for the year ending 31st December 2019 are shown in the table below. Following the exit of the UK from the EU, sterling strengthened against many of the currencies in which we operate and consequently as mentioned above the Group's reserves decreased by £0.1m from losses in foreign currency translations.

Currency	Symbol	Average rate Full year 2020	Average rate Full year 2019	Closing rate 31st Dec 2020	Closing rate 31st Dec 2019
Australian Dollar	AUD	1.867	1.840	1.763	1,883
Chinese Renminbi (Yuan)	CNY	8.880	8.810	8.890	9.150
Euro	EUR	1.126	1.144	1.112	1.177
South African Rand	ZAR	21.309	18.453	20.030	18.548
Thai Baht	THB	40.404	39.578	40.838	39.346
United States Dollar	USD	1.290	1.281	1.365	1.321

Our business model

The two segments of the Group are very different operations and serve different markets, however together they provide diversification, strength and balance to the Group and their activities.

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.

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

Braime Pressings Limited sales of £6.8m were in line with prior year. Intercompany sales and external sales were £3.0m and £3.8m as compared to £3.4m and £3.4m respectively in 2019. Loss for the period was £0.2m (2019 – loss £0.3m). The manufacturing arm continues to face pricing pressures in a highly competitive environment. At the start of 2020 the business further invested in sales development however activities were restricted by the government-imposed lockdowns which prevented visits to customer premises. The board believes the business continues to add strategic value through its supply to the 4B division and complementary engineering expertise.

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

Revenues fell from £36.2m to £34.2m, with external sales down £1.0m. The 4B group sales were affected by the covid pandemic with the geographical regions of the Americas and Africa being particularly affected with sales decreasing by £1.0m and £0.4m respectively. The European market by contrast increased by £0.8m compared to 2019. Profit for the period fell by £0.3m to £1.4m as a result of reduced sales.

We continue to invest in product development and during the year we launched our internet ethernet node remote monitoring interface (IE-NODE); this provides a visual view of all devices on the network, allowing for easy identifying of each unit of the network and for settings to be readily changed as needed. In 2020 we launched our unique and patented round bottom version of the popular Bolt-N-Go, which makes it much easier to install, replace and maintain chain compared to conventional welded steel chain.

The Covid-19 pandemic continues to cast uncertainty over the global economy. The new ways of working too, following Brexit will take some time to iron out and there will be some disruption to supply chains which may continue well into the year. The board is pleased with business performance in 2020 given the challenging environment. The Group's underlying business model is on a solid base and its wide geographical presence in the agricultural equipment sector, which is essential for the maintenance of food supply, provides it with some buffer in the continuing unsettled economic climate. With the continuing support of its bankers, the loyalty of its dedicated employees and its longstanding customers and partners, the Group remains positive it will weather these adversities.

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	2020	2019
Turnover growth	1	(1.9%)	(6.4%)
Gross margin	2	46.7%	49.1%
Operating profit	3	1.38m	£2.21m
Stock days	4	182 days	176 days
Debtor days	5	56 days	57 days

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 2020 is down on the prior year, the board consider the results to be very positive given the global pandemic.

2. Gross margin

Gross profit (revenue plus change in inventories less raw materials used) as a percentage of revenue is monitored to maximise profits available for reinvestment and distribution to shareholders. The reduction in margin reflects pressures on the supply chain.

3. Operating profit

Sustainable growth in operating profit is a strategic priority to enable ongoing investment and increase shareholder value. Reduced turnover has impacted operating profit which has also been affected by sterling strengthening.

4. Stock days

The average value of inventories divided by raw materials and consumables used and changes in inventories of finished goods and work in progress 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. Stockholding has increased due to inventory build-up in December 2020 to mitigate the impact of any disruption caused by the United Kingdom finally leaving the EU.

5. Debtor days

The average value of trade receivables divided by revenue expressed as a number of days. This is an important indicator of working capital requirements. Debtor days have improved from the position at the half year and management are focusing on reducing this to improve cashflows.

Other metrics monitored weekly or monthly include quality measures (such as customer complaints), raw materials buying prices, capital expenditure, line utilisation, reportable accidents and near-misses.

Principal risks and uncertainties

Coronavirus Covid-19

At the time of writing, the global number of cases of Covid-19 infections remains high. Cases in the Far East and Australia have declined and the US and UK governments' rapid roll out of the Covid-19 vaccine programme and the published roadmap in the UK for easing the current lockdown restrictions provide grounds for optimism that some normality may resume by the summer. At the same time, however, the rest of Europe is experiencing a rise in infection cases and there is a threat that new variants, resistant to the current vaccines, could emerge. Covid-19 therefore remains a business threat and presents itself in various forms, including but not limited to the threat of continuity of supplies, the health of our employees, the ability of customers to meet payments, currency fluctuations and business interruption resulting from government interventions and hastily introduced travel restrictions.

The Group has demonstrated its ability to maintain activity during these unprecedented times but clearly the global pandemic has impacted sales. The Group supplies essential components parts into the agricultural materials handling sector and during 2020 governments took necessary steps to protect the food supply chain and our operations were classified as operations that had to remain open. Nevertheless, threats emerge from key personnel becoming infected with the virus, suppliers being unable to fulfil orders, be it raw materials or inventory supplies or logistics partners unable to conduct deliveries. The Group has put in place significant health and safety measures to maintain operations, including the retraining of personnel in key processes, social distancing and reviewing alternative suppliers. The Group's key objective is to ensure the safety and well-being of our employees, while continuing to trade as normally as possible.

General risks

The market remains challenging for our manufacturing division, 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.

Our 4B division maintains its competitive edge in a price sensitive market through the provision of engineering expertise and by working closely with our suppliers to design and supply innovative components of the highest standard. In addition, ranges of complementary products are sold into different industries. The monitoring systems are developed and improved on a regular basis.

The directors receive monthly reports on key customer and operational metrics from subsidiary management and review these. The potential impact of business risks and actions necessary to mitigate the risks, are also discussed and considered at the monthly board meetings. The directors have put in place formal business continuity and disaster recovery plans with respect to its UK and US operations. The more significant risks and uncertainties faced by the Group are set out below:-

- **Raw material price fluctuation**:- The Group is exposed to fluctuations in steel and other raw material prices and to mitigate this volatility, the Group 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.

- **Damage to warehouse or factory:-** Any significant damage to a factory or warehouse will cause short-term disruption. To mitigate these risks, the Group has arrangements with key suppliers to step up supply in the event of a disruption.

- **Brexit impact:-** The UK finally left the EU at the end of 2020. A trade agreement has been struck with the EU and whilst this has alleviated much of the immediate uncertainties surrounding a no-deal scenario, the finer details of the agreement remain to be negotiated and some aspects of the trade deal are on transitional arrangements only. The Group, along with other businesses, faces economic and political uncertainty in the future resulting from changes to these details as yet unknown. However, the directors consider that its operations in Europe provide the group with further trading options and the fact that three-quarters of the Group's revenues are derived from markets outside the EU provides the Group with some resilience to any impact.

- **Economic fluctuations**:- The Group derives a significant proportion of its profits from outside the UK and is therefore sensitive to fluctuations in the economic conditions of overseas operations including foreign currency fluctuations. As the Covid-19 pandemic has demonstrated, economies are greatly intertwined and reverberations feed through the supply chain.

Financial instruments

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

The Group's exposure in the areas identified above are discussed in note 17 of the financial statements.

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

Credit risk
The Group's principal financial assets are bank balances, cash and trade receivables, 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 receivables. 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 medium term loans and finance leases and arranging funding for operations via bank 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 effects on the financial performance of the Group.

Health and safety
We maintain healthy and safe working conditions on our sites and measure our ability to keep employees and visitors safe. We continuously aim to improve our working environments to ensure we are able to provide safe occupational health and safety standards to our employees and visitors. The directors receive monthly H&S reports and we carry out regular risk management audits to identify areas for improvement and to minimise safety risks. Our H&S manager has been involved in formulating plans and procedures in the event of an outbreak of the Covid-19 virus in our premises. As part of our precautionary measures we have introduced social distancing and hand sanitisers in our factory and those able to work from home are enabled to do so. As a global business, the Group is able to tap into the experience of its various international locations to share best practice and learning points.

Research and development
The Group continues to invest in research and development and regularly liaises with university engineering groups with a view to improving features of its products. This has resulted in innovations in the products which will benefit the Group in the medium to long term.

Duties to promote the success of the Company
Section 172 of the Companies Act 2006 requires the directors to act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the most likely consequences of any decision in the long term;
- the interest of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;

- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between the members of the Company.

The Board confirms that, during the year, it has had regard to the matters set out above. Further details as to how the directors have fulfilled their duties are set out below and in the Governance Report which in particular, expands on directors' duties and stakeholder liaison.

Business ethics and human rights

The Board is respectful of the Company's long history, and considers the long-lasting impact of its decisions. We are committed to conducting our business ethically and responsibly, and treating employees, customers, suppliers and shareholders in a fair, open and honest manner. As a business, we receive audits by both our independent auditors and by our customers and we look to source from suppliers who share our values. We encourage our employees to provide feedback on any issues they are concerned about and have a whistle-blowing policy that gives our employees the chance to report anything they believe is not meeting our required standards.

The Group is similarly committed to conducting our business in a way that is consistent with universal values on human rights and complying with the Human Rights Act 1998. The Group gives appropriate consideration to human rights issues in our approach to supply chain management, overseas employment policies and practices. Where appropriate, we support community partnering.

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. As a global business, the Group fully recognises and seeks to harness the benefits of diversity within its work force. The Group is grateful to its employees for continuing to come to work in what has been a worrying time for themselves and their families

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. The Group continuously looks for ways to harness energy reduction (electricity and gas) and water. The Company has installed a 190KW solar system on its UK premises and is currently seeking permission from the national grid to extend our installation of solar panels. The Group is conducting an energy audit of its principal plant and property with the help of energy consultants to understand ways of reducing our energy consumption and operating in an environmentally sustainable manner. During the period of this report the Group has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

Social and community matters

We recognise our responsibility to work in partnership with the communities in which we operate and we encourage active employee support for their community in particular, in aid of technical awareness and training. We regularly participate in a number of education events encouraging interest in engineering in young people. It is our policy not to provide political donations.

Consolidated income statement for the year ended 31st December 2020 (audited)

	2020	2019
	£'000	£'000
Revenue	**32,803**	33,433
Changes in inventories of finished goods and work in progress	**(63)**	959
Raw materials and consumables used	**(17,428)**	(17,986)
Employee benefits costs	**(8,408)**	(8,530)
Depreciation and amortisation expense	**(1,280)**	(1,236)
Other expenses	**(4,277)**	(4,737)
Other operating income	**30**	318
Profit from operations	**1,377**	2,221

Finance expense	**(191)**	(477)
Finance income	**9**	2
Profit before tax	**1,195**	1,746
Tax expense	**(341)**	(397)
Profit for the year	**854**	1,349
Profit attributable to:		
Owners of the parent	**823**	1,360
Non-controlling interests	**31**	(11)
	854	1,349
Basic and diluted earnings per share	**59.31p**	93.68p

Consolidated statement of comprehensive income for the year ended 31st December 2020 (audited)

	2020 £'000	2019 £'000
Profit for the year	**854**	1,349
Items that will not be reclassified subsequently to profit or loss		
Net pension remeasurement gain on post employment benefits	**66**	178
Items that may be reclassified subsequently to profit or loss		
Foreign exchange losses on re-translation of overseas operations	**(133)**	(323)
Other comprehensive income for the year	**(67)**	(145)
Total comprehensive income for the year	**787**	1,204
Total comprehensive income attributable to:		
Owners of the parent	**744**	1,231
Non-controlling interests	**43**	(27)
	787	1,204

Consolidated balance sheet at 31st December 2020 (audited)

	2020 £'000	2019 £'000
Assets		
Non-current assets		
Property, plant and equipment	**7,830**	6,824
Intangible assets	**37**	48
Rights of use assets	**487**	278
Total non-current assets	**8,354**	7,150
Current assets		
Inventories	**8,864**	8,573
Trade and other receivables	**5,855**	5,697
Cash and cash equivalents	**1,533**	1,679
Total current assets	**16,252**	15,949
Total assets	**24,606**	23,099
Liabilities		
Current liabilities		

Bank overdraft	**335**	1,016
Trade and other payables	**4,744**	3,808
Other financial liabilities	**2,133**	2,163
Corporation tax liability	**78**	19
Total current liabilities	**7,290**	7,006
Non-current liabilities		
Financial liabilities	**2,075**	1,384
Deferred income tax liability	**278**	360
Total non-current liabilities	**2,353**	1,744
Total liabilities	**9,643**	8,750
Total net assets	**14,963**	14,349
Share capital	**360**	360
Capital reserve	**257**	257
Foreign exchange reserve	**(151)**	(6)
Retained earnings	**14,800**	14,084
Total equity attributable to the shareholders of the parent	**15,266**	14,695
Non-controlling interests	**(303)**	(346)
Total equity	**14,963**	14,349

Consolidated cash flow statement for the year ended 31st December 2020 (audited)

	2020	2019
	£'000	£'000
Operating activities		
Net profit	**854**	1,349
Adjustments for:		
Depreciation and amortisation	**1,280**	1,236
Foreign exchange losses	**(170)**	(255)
Finance income	**(9)**	(2)
Finance expense	**191**	477
Loss/(gain) on sale of land and buildings, plant, machinery and motor vehicles	**1**	(12)
Adjustment in respect of defined benefits scheme	**71**	93
Income tax expense	**341**	397
Income taxes paid	**(168)**	(451)
	1,537	1,483
Operating profit before changes in working capital and provisions	**2,391**	2,832
(Increase)/decrease in trade and other receivables	**(356)**	1,044
Increase in inventories	**(291)**	(701)
Increase/(decrease) in trade and other payables	**942**	(1,499)
	295	(1,156)
Cash generated from operations	**2,686**	1,676
Investing activities		
Purchases of property, plant, machinery and motor vehicles and intangible assets	**(2,057)**	(1,660)
Sale of land and buildings, plant, machinery and motor vehicles	**13**	27
Interest received	**4**	2
	(2,040)	(1,631)
Financing activities		
Proceeds from long term borrowings	**1,117**	728
Repayment of borrowings	**(419)**	(459)
Repayment of hire purchase creditors	**(217)**	(281)
Repayment of lease liabilities	**(228)**	(210)
Bank interest paid	**(124)**	(426)
Lease interest paid	**(38)**	(33)
Hire purchase interest paid	**(29)**	(15)
Dividends paid	**(173)**	(167)

	2020	2019
	(111)	(863)
Increase/(decrease) in cash and cash equivalents	**535**	(818)
Cash and cash equivalents, beginning of period	**663**	1,481
Cash and cash equivalents, end of period	**1,198**	663

Consolidated statement of changes in equity for the year ended 31st December 2020 (audited)

	Share Capital £'000	Capital Reserve £'000	Foreign Exchange Reserve £'000	Retained Earnings £'000	Total £'000	Non-Controlling Interests £'000	Total Equity £'000
Balance at 1st January 2019	360	257	301	12,713	13,631	(319)	13,312
Comprehensive income							
Profit	-	-	-	1,360	1,360	(11)	1,349
Other comprehensive income							
Net pension remeasurement gain recognised directly in equity	-	-	-	178	178	-	178
Foreign exchange losses on re-translation of overseas subsidiaries consolidated operations	-	-	(307)	-	(307)	(16)	(323)
Total other comprehensive income	-	-	(307)	178	(129)	(16)	(145)
Total comprehensive income	-	-	(307)	1,538	1,231	(27)	1,204
Transactions with owners							
Dividends	-	-	-	(167)	(167)	-	(167)
Total transactions with owners	-	-	-	(167)	(167)	-	(167)
Balance at 1st January 2020	**360**	**257**	**(6)**	**14,084**	**14,695**	**(346)**	**14,349**
Comprehensive income							
Profit	**-**	**-**	**-**	**823**	**823**	**31**	**854**
Other comprehensive income							
Net pension remeasurement gain recognised directly in equity	**-**	**-**	**-**	**66**	**66**	**-**	**66**
Foreign exchange losses on re-translation of overseas subsidiaries consolidated operations	**-**	**-**	**(145)**	**-**	**(145)**	**12**	**(133)**
Total other comprehensive income	**-**	**-**	**(145)**	**66**	**(79)**	**12**	**(67)**
Total comprehensive income	**-**	**-**	**(145)**	**889**	**744**	**43**	**787**
Transactions with owners							
Dividends	**-**	**-**	**-**	**(173)**	**(173)**	**-**	**(173)**
Total transactions with owners	**-**	**-**	**-**	**(173)**	**(173)**	**-**	**(173)**
Balance at 31st December 2020	**360**	**257**	**(151)**	**14,800**	**15,266**	**(303)**	**14,963**

1. EARNINGS PER SHARE AND DIVIDENDS

Both the basic and diluted earnings per share have been calculated using the net results attributable to shareholders of Braime Group PLC as the numerator.

The weighted average number of outstanding shares used for basic earnings per share amounted to 1,440,000 shares (2019 – 1,440,000). There are no potentially dilutive shares in issue.

Dividends paid	**2020 £'000**	2019 £'000
Equity shares		
Ordinary shares		
Interim of 8.00p (2019 – 8.00p) per share paid on 5th June 2020	**38**	38
Interim of 4.00p (2019 – 3.60p) per share paid on 16th October 2020	**19**	17

	57	55
'A' Ordinary shares		
Interim of 8.00p (2019 – 8.00p) per share paid on 5th June 2020	**77**	77
Interim of 4.00p (2019 – 3.60p) per share paid on 16th October 2020	**39**	35
	116	112
Total dividends paid	**173**	167

An interim dividend of 7.80p per Ordinary and 'A' Ordinary share will be paid on 25th May 2021.

2. SEGMENTAL INFORMATION

	Central 2020 £'000	**Manufacturing 2020 £'000**	**Distribution 2020 £'000**	**Total 2020 £'000**
Revenue				
External	**-**	**3,762**	**29,041**	**32,803**
Inter Company	**1,772**	**3,068**	**5,159**	**9,999**
Total	**1,772**	**6,830**	**34,200**	**42,802**
Profit				
EBITDA	**309**	**(163)**	**2,511**	**2,657**
Finance costs	**(105)**	**(31)**	**(55)**	**(191)**
Finance income	**-**	**7**	**2**	**9**
Depreciation and amortisation	**(592)**	**(28)**	**(660)**	**(1,280)**
Tax expense	**32**	**-**	**(373)**	**(341)**
(Loss)/profit for the period	**(356)**	**(215)**	**1,425**	**854**
Assets				
Total assets	**5,178**	**4,200**	**15,228**	**24,606**
Additions to non current assets	**415**	**54**	**2,020**	**2,489**
Liabilities				
Total liabilities	**801**	**2,025**	**6,817**	**9,643**

	Central 2019 £'000	Manufacturing 2019 £'000	Distribution 2019 £'000	Total 2019 £'000
Revenue				
External	-	3,416	30,017	33,433
Inter Company	2,104	3,440	6,224	11,768
Total	2,104	6,856	36,241	45,201
Profit				
EBITDA	851	(244)	2,850	3,457
Finance costs	(305)	(27)	(145)	(477)
Finance income	-	-	2	2
Depreciation	(607)	(18)	(611)	(1,236)
Tax expense	(114)	39	(322)	(397)
(Loss)/profit for the period	(175)	(250)	1,774	1,349
Assets				
Total assets	5,529	3,657	13,913	23,099
Additions to non current assets	1,138	76	607	1,821
Liabilities				
Total liabilities	852	1,768	6,130	8,750

3. BASIS OF PREPARATION

The 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 accounting policies adopted are consistent with those of the annual financial statements for the year ended 31st December 2020 as described in those financial statements.

4. ANNUAL GENERAL MEETING

.

The Company is closely monitoring public health guidance and legislation issued by the UK government in relation to the Covid pandemic. At the time of writing, the government continues to place restrictions on mass gatherings and social contact. However, it is expected shareholder attendance will be possible under the government's published roadmap and we are therefore proposing to go ahead with an open meeting. Shareholders intending to attend the AGM are asked to register their intention as soon as possible by emailing investor@braime.co.uk.

The health and safety of our colleagues and shareholders is very important to us. Given the constantly evolving nature of the situation, should circumstances change such that we consider it is no longer possible for shareholders to attend the meeting or limiting the numbers in attendance is required, we will notify shareholders through the Company's website www.braimegroup.com and, where appropriate, by a Regulatory News Service announcement.

For the same reason of uncertainty, we strongly encourage all shareholders to exercise their votes by submitting their proxy by post in advance of the meeting and shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy. Details of how to do this are set out in the notes accompanying notes to the Notice. This will ensure that your votes are cast in accordance with your wishes.

Irrespective of the guidelines in place at the time of the 2021 AGM, we understand that some shareholders may not wish to travel but may still wish to ask questions of the board. Any questions should be emailed to investor@braime.co.uk in advance and we will endeavour to add a synopsis of all questions and answers to our website shortly after the meeting.

The Annual General Meeting of the members of the company will be held at the registered office of the company at Hunslet Road, Leeds, LS10 1JZ on Wednesday 23rd June 2021 at 11.45am. The annual report and financial statements will be sent to shareholders by 25th May 2021 and will also be available on the company's website (www.braimegroup.com) from that date.

5. THE ANNOUNCEMENT

The financial information set out in this announcement does not constitute statutory accounts as defined by section 434 of the Company Act 2006. The financial information for the year ended 31st December 2020 has been extracted from the Group's financial statements upon which the auditor's opinion is unqualified, does not include reference to any matters to which they wish to draw attention by way of emphasis without qualifying their report, and does not include any statement under section 498 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2019 have been delivered to the Registrar of Companies, and those for 2020 will be delivered in due course.

6. EVENTS AFTER THE REPORTING PERIOD

There were no events after the balance sheet date that would require disclosure in accordance with IAS10, "Events after the reporting period".