



Grant Thornton

Consolidated Financial Statements Braid Group (Holdings) Limited

For the year ended 30 June 2012

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Company No. SC299361

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Company information

Directors	N A H Gray A J C Haldane A S J Leddra S Watson A D Watson
Secretary	A J C Haldane
Registered office	Maritime House 143 Woodville Street Glasgow G51 2RQ
Registered number	SC299361
Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
Bankers	The Royal Bank of Scotland plc 140 St Vincent Street Glasgow G2 5JZ
Solicitors	DWF LLP Dalmore House 310 St Vincent Street Glasgow G2 5QR

Report of the directors

The directors present their report and the financial statements for the year ended 30 June 2012.

Directors' responsibilities statement

The Group directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the company and 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Group directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Principal activities and business review

The principal activities of the Group are split into five divisions:

- Bulk liquid ISO tank operations
- Bulk liquid flexitank operations
- Project forwarding incorporating agency and chartering
- International export and import freight forwarding
- Road transport and warehousing

Business review

The Group directors are pleased to report a profit on ordinary activities before taxation and the exceptional item for the financial year ended 30 June 2012 of £3,738,437 (2011: £3,670,277).

Report of the directors

The Flexitanks, Isotanks, Freight Forwarding, Projects, and Transport and Warehouse Divisions all finished the year ahead of budget. Currency fluctuations continue to have a major impact on the business but the effect on the company's results this year was a gain of £121,914.

The Group is on target to meet budget in 2013 and is aggressively expanding its business across all 5 trading divisions, particularly bulk liquids and projects.

The exceptional item relates to an accrual in Braid UK Limited's accounts which the directors deem both prudent and appropriate to make at this time. In January 2013, the UK company's directors and the directors of the Braid Group Holdings Ltd, initiated an independent review into the internal procedures of the company based on evidence of a potential weakness. Following advice from the solicitors to both the parent company and the UK company, the parent company reported certain findings regarding the UK company to external authorities on a voluntary basis. The review and investigation is due to be completed in the latter part of 2013. This matter is referred to in note 20 to the financial statements.

The Group Board has also taken certain interim steps to strengthen the company's global governance in line with best practice including:

- the appointment of new auditors for the consolidated accounts of the Group and all Group companies
- the appointment of additional directors to the UK company, and
- the strengthening of accounting and reporting practices.

The Group directors are confident this will result in a stronger, more dynamic Group which will enable substantial growth of its business to be sustained in the years ahead as has been achieved since the MBO in December 2006.

Results and dividends

The profit for the year before taxation amounted to £1,488,437 (2011: £3,670,277).

The total distribution of dividends for the year ended 30 June 2012 was £nil (2011: £189,700).

Directors

The directors who served during the year were:

N A H Gray
A J C Haldane
A S J Leddra
S Watson
A D Watson

Principal risks and uncertainties

During the forthcoming year the board consider the principal risks and uncertainties affecting the Group to be:

- Competition across all divisions
- Reliability and quality of supplies
- Managing foreign currency exposure
- Managing the impact of the recession on our customers and suppliers
- Compliance and governance in certain parts of the Group

Having considered the risks to the Group, the board are of the opinion that the Group can respond to and mitigate the impact of these risks and uncertainties, particularly relating to compliance and corporate governance.

Report of the directors

Financial risk management objectives and policies

The Group's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and foreign currency risk. The Group has in place procedures designed to limit any adverse effects arising from these risks on the financial performance of the Group by monitoring levels of debt finance and the related finance costs.

The group's principal financial instruments comprise cash, cash equivalents and a bank overdraft (available but not used). Other financial assets and liabilities, such as trade debtors and trade creditors arise directly from the group's operating activities.

Price risk

The Group is exposed to commodity price risk as a result of its operations. However, given the size of the Group's operations, the costs of managing exposure to commodity price risk exceed the potential benefits. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

Credit risk

The Group has implemented a policy that requires credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed regularly by the directors of the various Group companies.

Liquidity risk

The Group aims to mitigate risk by managing cash generated by its operations.

Interest rate risk

The Group has both interest bearing assets and liabilities. The interest bearing assets only include cash balances all of which earn interest at a variable rate. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

Currency risk

The Group companies are exposed to transaction foreign exchange risk. Transactions exposures, including those associated with forecast transactions, are not hedged and the Group does not adopt an accounting policy of hedge accounting for these financial statements. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Future developments

The Braid Group is entering a new phase of its development focussing on enhanced corporate governance, IT, staff development, external management consulting and global brand positioning to enable the Group to benefit from a modernised and improved structure. Our new auditors, Grant Thornton, have already engaged with us to achieve some of these goals. The Group possesses investment opportunities within its existing resources for acquisitions and partnerships within its various business divisions, in particular bulk liquids. Braid Projects USA and Braid Logistics (North America) LLC are current examples of new Group companies that have already demonstrated the capacity to grow Braid's brand and business within its traditional sphere of niche global logistics. The Group also intends to increase significantly ownership in its ISO tank fleet and expand its market-leading food grade specialism. Braid is an established market leader in flexitanks with an unrivalled reputation for innovation and design and the company intends to continue to expand its business in new niches through its unique skills in product design and development.

Report of the directors

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Group board on 15 November 2013 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'A S J Leddra', written over a horizontal line.

A S J Leddra

Director

Independent auditor's report to the members of Braid Group (Holdings) Limited

We have audited the financial statements of Braid Group (Holdings) Limited for the year ended 30 June 2012 which comprise the consolidated profit and loss account, the consolidated and parent company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 30 June 2012 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Braid Group (Holdings) Limited

Matters on which we are required to report by exception

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.

A handwritten signature in black ink, appearing to read 'Grant Thornton UK LLP', written in a cursive, flowing style.

Christopher Smith (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
London

15 November 2013

Consolidated profit and loss account

		2012		2011	
	Notes	£	£	£	£
Turnover	2	101,727,510		100,774,011	
Cost of sales		<u>87,768,137</u>		<u>87,938,576</u>	
Gross profit		13,959,373		12,835,435	
Administrative expenses		<u>10,312,203</u>		<u>9,228,087</u>	
Exceptional item		<u>2,250,000</u>		<u>-</u>	
Total administrative expenses		12,562,203		9,228,087	
Other operating income		<u>18,959</u>		<u>47,214</u>	
Operating profit	3	1,416,129		3,654,562	
Income from interest in associated undertakings		51,100		14,863	
Interest receivable and similar income		<u>26,716</u>		<u>56,256</u>	
		77,816		71,119	
		1,493,945		3,725,681	
Interest payable and similar charges	6	<u>5,508</u>		<u>55,404</u>	
Profit on ordinary activities before taxation		1,488,437		3,670,277	
Tax on profit on ordinary activities	7	<u>937,981</u>		<u>964,276</u>	
Profit on ordinary activities after taxation		550,456		2,706,001	
Minority interest – equity	21	<u>362,449</u>		<u>366,925</u>	
Retained profit for the group carried forward	23	<u>188,007</u>		<u>2,339,076</u>	

Continuing operations

None of the group's activities were acquired or discontinued during the current year or previous year.

The notes on pages 13 to 30 form part of these financial statements.

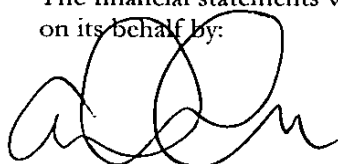
Consolidated balance sheet

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	10	2,013,130	937,550
Tangible assets	11	4,021,313	3,831,112
Investments	12		
Interest in associates		160,072	112,317
Other investments		296,408	271,451
		<u>6,490,923</u>	<u>5,152,430</u>
Current assets			
Stocks	13	7,036,877	4,880,155
Debtors	14	19,843,876	17,995,203
Cash at bank		4,567,477	3,414,812
		<u>31,448,230</u>	<u>26,290,170</u>
Creditors: amounts falling due within one year	15	<u>20,602,986</u>	<u>17,423,950</u>
Net current assets		<u>10,845,244</u>	<u>8,866,220</u>
Total assets less current liabilities		17,336,167	14,018,650
Creditors: amounts falling due after one year	16	(580,770)	(329,425)
Provisions for liabilities			
Deferred tax	19	(669,721)	(709,948)
Other provisions	20	(2,250,000)	-
Minority interests	21	<u>(1,914,440)</u>	<u>(1,338,316)</u>
Net assets		<u><u>11,921,236</u></u>	<u><u>11,640,961</u></u>

Consolidated balance sheet

	Notes	2012 £	2011 £
Capital and reserves			
Called up share capital	22	3,794,000	3,794,000
Share premium	23	110,000	110,000
Profit and loss account	23	8,017,236	7,736,961
Shareholders' funds	24	<u>11,921,236</u>	<u>11,640,961</u>

The financial statements were approved by the Board of Directors on 15 November 2013 and were signed on its behalf by:



A S J Leddra
 Director

Company number: SC299361

The notes on pages 13 to 30 form part of these financial statements.

Company balance sheet

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	11	269,605	278,893
Investments	12	<u>8,658,924</u>	<u>8,658,924</u>
		8,928,529	8,937,817
Current assets			
Debtors	14	1,562,720	1,440,599
Cash at bank		<u>141,623</u>	<u>86,006</u>
		1,704,343	1,526,605
Creditors: amounts falling due within one year	15	<u>436,237</u>	<u>210,819</u>
Net current assets/(liabilities)		1,268,106	1,315,786
Total asset less current liabilities		<u>10,196,635</u>	<u>10,253,603</u>
Capital and reserves			
Called up share capital	22	3,794,000	3,794,000
Share premium	23	110,000	110,000
Profit and loss account	23	<u>6,292,635</u>	<u>6,349,603</u>
Shareholders' funds	24	<u>10,196,635</u>	<u>10,253,603</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 15 November 2013 and were signed on its behalf by:



A S J Leddra
Director

Company number: SC299361

The notes on pages 13 to 30 form part of these financial statements.

Consolidated statement of total recognised gains and losses

	2012	2011
	£	£
Profit for the financial year attributable to the shareholders of the parent company	188,007	2,339,076
Foreign currency movements on reserves	<u>92,268</u>	<u>40,615</u>
Total gains and losses recognised for the year	<u>280,275</u>	<u>2,379,691</u>

The notes on pages 13 to 30 form part of these financial statements.

Consolidated cash flow statement

		2012		2011	
	Notes	£	£	£	£
Net cash flow from operating activities	A	4,118,282		3,077,755	
Returns on investments and servicing of finance	B	72,308		852	
Taxation		(903,463)		(1,174,196)	
Capital expenditure	B	(1,757,039)		(279,251)	
Acquisitions and disposals		145,424		(188,239)	
Equity dividends paid		<u>(189,700)</u>		<u>-</u>	
				1,436,921	
Financing	B	<u>-</u>		<u>153,926</u>	
Increase in cash in the period		<u>1,485,812</u>		<u>1,590,847</u>	
Reconciliation of net cash flow to movement in net funds					
Increase in cash in the period		1,485,812		1,590,847	
Cash outflow from decrease in debt and lease financing		<u>-</u>		<u>6,074</u>	
Change in net funds resulting from cash flows		<u>1,485,812</u>		<u>1,596,921</u>	
Movement in net funds in the period		1,485,812		1,596,921	
Net funds at 1 July 2011		<u>2,631,389</u>		<u>1,034,468</u>	
Net funds at 30 June 2012	C	<u>4,117,201</u>		<u>2,631,389</u>	

The notes on pages 13 to 30 form part of these financial statements.

Notes to the consolidated cash flow statement

A. Reconciliation of operating profit to net cash flow from operating activities

	2012	2011
	£	£
Operating profit	1,416,129	3,654,562
Depreciation	412,402	410,367
Profit on disposals of fixed assets	(2,505)	(58,132)
Amortisation	79,820	82,240
Increase in stocks	(2,156,722)	(173,071)
(Increase)/ decrease in debtors	(1,759,325)	946,573
Increase/ (decrease) in creditors	6,128,483	(1,784,784)
Net cash inflow from operating activities	4,118,282	3,077,755

B. Analysis cash flow for headings netted in the cash flow statement

	2012	2011
	£	£
Returns on investments and servicing finance		
Interest received	77,816	56,256
Interest paid	(5,508)	(55,404)
Net cash inflow/(outflow) for returns on investments and servicing of finance	72,308	852

Capital expenditure

Purchase of intangible fixed assets	(1,156,953)	(72,640)
Purchase of tangible fixed assets	(807,170)	(395,478)
Sale of tangible fixed assets	207,084	188,867
Net cash outflow for capital expenditure	(1,757,039)	(279,251)

Acquisitions and disposals

Purchase of subsidiary undertakings (net of cash balances acquired)	145,424	(188,239)
Net cash inflow/ (outflow) for acquisitions and disposals	145,424	(188,239)

Financing

Capital repayments in year	-	(6,074)
Share issue	-	50,000
Share premium	-	110,000
Net cash inflow from financing	-	153,926

Notes to the consolidated cash flow statement

C. Analysis of changes in net funds

	At 1 July 2011	Cash flow	At 30 June 2012
	£	£	£
Net cash:			
Cash at bank	3,414,812	1,152,665	4,567,477
Bank overdraft	(783,423)	333,147	(450,276)
	<u>2,631,389</u>	<u>1,485,812</u>	<u>4,117,201</u>

Notes to the consolidated financial statements

1 Accounting policies

Basis of preparation of financial statements

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

The directors have assessed that the group has adequate resources to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements. This assessment is based on detailed projections and cash flow forecasts prepared by the directors. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Basis of consolidation

The group financial statements consolidate the financial statements of the ultimate parent company (Braid Group (Holdings) Limited), all entities controlled by the company (its subsidiaries) and the group's share of its interests in associates drawn up to 30 June each year.

Subsidiaries are entities in which the Group has an interest in the voting share capital of greater than 50%.

Associates are entities in which the Group has an investment of at least 20% of the shares and over which it exerts significant influence. To the extent that associates are material, the Group financial statements include the appropriate share of their post-acquisition results and reserves. Investments in associates are carried in the consolidated balance sheet at the Group's share of their net assets at the date of acquisition and of their post-acquisition retained profit or losses together with any goodwill arising on acquisition, net of amortisation. The investor's share of the results is included within the consolidated profit and loss.

Turnover

Revenue consists of five different revenue streams as detailed in the directors' report. The point of revenue recognition is the sailing date for all export shipments and the arrival date for all import shipments.

All revenue recognised by the group in respect of goods and services supplied during the year is exclusive of Value Added Tax and trade discounts.

Exceptional items

Exceptional items are those that, in management's judgement, need to be disclosed by virtue of their size or incidence. These items are included within the profit and loss caption to which they relate, and are separately disclosed, either in the notes to the accounts or on the face of the consolidated profit and loss account.

Goodwill

Goodwill, representing the excess of the cost of the acquisition of subsidiary undertakings over the fair value of the assets acquired in the year of acquisition, is amortised through the profit and loss account over the directors' estimate of its useful economic life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Land and buildings	2.5% straight line
Plant and machinery	20% & 6.67% straight line
Fixtures and fittings	5%/10%/20% straight line
Motor vehicles	20% straight line

Notes to the consolidated financial statements

Intangible fixed assets

Purchased trademarks, patents and other acquired intangible assets, other than through business combinations, are capitalised at cost and amortised over their estimated useful lives.

Patent	11 years straight line
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Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

Hire purchase

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Provisions

Provisions are liabilities of uncertain timing or amounts. A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably and which will result in an outflow of economic benefit. Provisions are discounted where the effect is materially different to the original undiscounted amount, and represent the directors' best estimate of likely settlement.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. The assets of the scheme are held separately for those of the group in an independently administered fund. Contributions payable for the year are charged in the profit and loss account

Notes to the consolidated financial statements

2 Turnover and segmental disclosure

The analysis of turnover, net assets and profitability by class of business or geographical market has not been disclosed as the directors consider this to be seriously prejudicial to the Group's interests.

3 Operating profit

The operating profit is stated after charging/(crediting):

	2012	2011
	£	£
Hire of plant and machinery	116,065	69,802
Depreciation – owned assets	412,402	410,367
Profit on disposal of fixed assets	(2,505)	(58,132)
Goodwill amortisation	76,820	79,240
Auditor's remuneration – UK	66,900	25,259
Auditors' remuneration – overseas	51,365	35,739
Auditors' remuneration for non-audit work	58,515	26,075
Foreign exchange differences	(121,914)	415,604

4 Staff costs

	2012	2011
	£	£
Wages and salaries	6,214,290	5,200,516
Social security costs	1,014,177	1,221,896
Other pension costs	439,504	190,922
	7,667,971	6,613,334

The average monthly number of employees during the year was as follows:

	2012	2011
	No.	No.
Direct	71	69
Sales	18	23
Administration	42	57
	131	149

Notes to the consolidated financial statements

5 Directors' remuneration

Directors' remuneration	<u>1,238,275</u>	<u>1,251,743</u>
Company pension contributions to defined contributions pension schemes	<u>40,985</u>	<u>-</u>

Information regarding the highest paid director is as follows:

	2012 £	2011 £
Emoluments	<u>346,247</u>	<u>335,984</u>
Company pension contributions to defined contributions pension schemes	<u>-</u>	<u>-</u>

6 Interest payable and similar charges

	2012 £	2011 £
Bank interest	3,737	55,404
Hire purchase	<u>1,771</u>	<u>-</u>
	<u>5,508</u>	<u>55,404</u>

Notes to the consolidated financial statements

7 Taxation

(a) Analysis of the tax charge in the year

The tax charge on the profit on ordinary activities for the year was as follows:

	2012	2011
	£	£
Current tax:		
UK corporation tax	372,475	347,750
Overseas taxation	636,619	698,033
Adjustments in respect of previous periods:		
UK corporation tax	-	(5,819)
Overseas tax	4,166	-
	<u>1,013,260</u>	<u>1,039,964</u>
Deferred tax:		
Origination and reversal of timing differences	(75,279)	(75,688)
Tax on profit on ordinary activities	<u>937,981</u>	<u>964,276</u>

(b) Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (25.5%).

The differences are explained below:

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>1,488,437</u>	<u>3,670,277</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.5% (2011: 27.5%)	379,526	1,009,363
Effects of:		
Disallowed expenses and non-taxable income	598,469	17,416
Non-qualifying depreciation	1,738	-
Depreciation in excess of capital allowances	7,039	14,878
Short term timing differences	(6,800)	-
Adjustments in respect of previous periods	4,165	(5,819)
Chargeable gains	797	6,930
Utilisation of deferred tax assets not recognised	(35,701)	-
Over/(under) provision in current year charge	(2,549)	-
Profit on sale of fixed assets	-	(14,564)
Provision adjustments	4,502	-
Other adjustments	2,153	-
Difference in overseas tax rates	59,921	11,760
Current tax charge	<u>1,013,260</u>	<u>1,039,964</u>

Notes to the consolidated financial statements

8 Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £56,968. (2011: profit £1,993,902).

9 Dividends

	2012 £	2011 £
Ordinary shares of £1 each final	-	189,700

10 Intangible fixed assets

Group	Goodwill £	Intangibles £	Totals £
Cost			
At 1 July 2011	1,185,586	-	1,185,586
Additions	155,431	1,001,522	1,156,953
Exchange differences	1,301	-	1,301
At 30 June 2012	1,342,318	1,001,522	2,343,840
Amortisation			
At 1 July 2011	248,036	-	248,036
Amortisation for year	76,820	-	76,820
Exchange differences	5,854	-	5,854
At 30 June 2012	330,710	-	330,710
Net book value			
At 30 June 2012	1,011,608	1,001,522	2,013,130
At 30 June 2011	937,550	-	937,550

During the year Braid Logistics (North America) LLC ("LLC") was formed. Braid Logistics North America Inc. ("BLNA") acquired 60% of the membership units in the new company for cash consideration totalling £320,513. Subsequently the LLC acquired the trading assets of Gray Hog Industries LLC ("GHI") and a patent from Christopher White ("CW"). The consideration for both purchases was a combination of cash, funded by the BLNA investment; contingent consideration with criteria covering a three year period (included within other creditors due greater than one year (note 16)); and the remaining 40% membership units, resulting in recognition of a minority interest of £213,675 (note 21).

The trading assets have been brought onto the group balance sheet at fair value, resulting in £155,431 being recognised within goodwill in the year. The intangible asset has been recognised at a value of

Notes to the consolidated financial statements

£1,001,522. The patent expires in 2024 and is being amortised over its remaining useful life of 11 years.

11 Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Fixtures& fittings £	Motor vehicles £	Totals £
Cost					
At 1 July 2011	272,711	4,495,796	393,102	30,847	5,192,456
Additions	-	354,016	169,301	283,853	807,170
Disposals	-	(76,432)	(35,130)	(211,853)	(323,415)
Exchange differences	-	-	221	-	221
At 30 June 2012	<u>272,711</u>	<u>4,773,380</u>	<u>527,494</u>	<u>102,847</u>	<u>5,676,432</u>
Depreciation					
At 1 July 2011	13,633	1,126,731	204,397	16,583	1,361,344
Charge for year	6,816	250,558	119,573	35,455	412,402
Eliminated on disposal	-	(51,680)	(21,904)	(45,252)	(118,836)
Exchange differences	-	-	209	-	209
At 30 June 2012	<u>20,449</u>	<u>1,325,609</u>	<u>302,275</u>	<u>6,786</u>	<u>1,655,119</u>
Net book value					
At 30 June 2012	<u>252,262</u>	<u>3,447,771</u>	<u>225,219</u>	<u>96,061</u>	<u>4,021,313</u>
At 30 June 2011	<u>259,078</u>	<u>3,369,065</u>	<u>188,705</u>	<u>14,264</u>	<u>3,831,112</u>

Company

	Freehold property £	Fixtures& fittings £	Totals £
Cost			
At 1 July 2011 and 30 June 2012	<u>272,711</u>	<u>24,763</u>	<u>297,474</u>
Depreciation			
At 1 July 2011	13,633	4,948	18,581
Charge for year	<u>6,816</u>	<u>2,472</u>	<u>9,288</u>
At 30 June 2012	<u>20,449</u>	<u>7,420</u>	<u>27,869</u>
Net book value			
At 30 June 2012	<u>252,262</u>	<u>17,343</u>	<u>269,605</u>
At 30 June 2011	<u>259,078</u>	<u>19,815</u>	<u>278,893</u>

Notes to the consolidated financial statements

12 Fixed asset investments

Group

	Interest in associates £	Interest in joint venture £	Unlisted investments £	Totals £
Cost				
At 1 July 2011	112,317	253,051	18,400	383,768
Additions	50,755	17,496	-	68,251
Exchange differences	-	7,461	-	7,461
Amortisation	(3,000)	-	-	(3,000)
At 30 June 2012	<u>160,072</u>	<u>278,008</u>	<u>18,400</u>	<u>456,480</u>
Net book value				
At 30 June 2012	<u>160,072</u>	<u>278,008</u>	<u>18,400</u>	<u>456,480</u>
At 30 June 2011	<u>112,317</u>	<u>253,051</u>	<u>18,400</u>	<u>383,768</u>

Company

	Shares in group undertakings £	Interest in associate £	Totals £
Cost			
At 1 July 2011	8,583,924	75,000	8,658,924
Additions	-	-	-
At 30 June 2012	<u>8,583,924</u>	<u>75,000</u>	<u>8,658,924</u>
Net book value			
At 30 June 2012	<u>8,583,924</u>	<u>75,000</u>	<u>8,658,924</u>
At 30 June 2011	<u>8,583,924</u>	<u>75,000</u>	<u>8,658,924</u>

Notes to the consolidated financial statements

Fixed asset investments (continued)

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Braid Logistics (UK) Ltd	%
Country of incorporation: Scotland	holding
Nature of business: Shipping	100.00
Class of shares: Ordinary	

Sarl Braid Logistics Europe	%
Country of incorporation: France	holding
Nature of business: Shipping	80.00
Class of shares: Ordinary	

Braid Logistics Asia Pte Ltd	%
Country of incorporation: Singapore	holding
Nature of business: Shipping	57.00
Class of shares: Ordinary	

Braid Logistics Australia Pty Ltd	%
Country of incorporation: Australia	holding
Nature of business: Shipping	80.00
Class of shares: Ordinary	

Braid Logistics Germany GmbH	%
Country of incorporation: Germany	holding
Nature of business: Shipping	80.00
Class of shares: Ordinary	

Braid Logistics (North America) Inc.	%
Country of incorporation: U.S.A	holding
Nature of business: Shipping	100.00
Class of shares: Ordinary	

Braid Logistics Latin America SpA*	%
Country of incorporation: Chile	holding
Nature of business: Shipping	100.00
Class of shares: Ordinary	

Notes to the consolidated financial statements

Fixed asset investments (continued)

Subsidiaries

Intercomercial Limitada*	%
Country of incorporation: Chile	holding
Nature of business: Shipping	100.00
Class of shares: Ordinary	

Braid Logistics (North America) LLC	%
Country of incorporation: Louisiana	holding
Nature of business: Shipping	60.00
Class of shares: Ordinary	

Joint venture

LEMCO	%
Country of incorporation: North America	holding
Nature of business: Property rental	50.00
Class of shares: Ordinary	

Associates

Pro-flex Packaging Europe Limited*	%
Country of incorporation: England	holding
Nature of business: Shipping	30.00
Class of shares: Ordinary	

Braid Logistics Asia Sdn Bhd	%
Country of incorporation: Malaysia	holding
Nature of business: Shipping	22.80
Class of shares: Ordinary	

* Financial year end is 31 December.

13 Stocks

	2012	2011
	£	£
Stocks	<u>7,036,877</u>	<u>4,880,155</u>

Notes to the consolidated financial statements

14 Debtors: amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	16,314,866	15,661,359	-	-
Amounts owed by group undertakings	-	-	1,553,583	1,440,440
Amounts owed by related undertakings	-	-	-	-
Other debtors	2,112,044	1,277,829	2,972	-
Prepayments and accrued income	1,416,966	1,056,015	6,165	159
	<u>19,843,876</u>	<u>17,995,203</u>	<u>1,562,720</u>	<u>1,440,599</u>

15 Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 17)	450,276	783,423	-	-
Trade creditors	7,442,965	7,675,110	-	-
Amounts owed to group undertakings	-	-	382,380	-
Amounts owed to related undertakings	6,462,595	2,814,940	-	-
Tax	609,019	534,274	-	-
Social security and other taxes	334,077	323,353	-	-
Proposed dividends	-	189,700	-	189,700
Other creditors	752,598	416,911	2,500	-
Accruals and deferred income	4,551,456	4,686,239	51,357	21,119
	<u>20,602,986</u>	<u>17,423,950</u>	<u>436,237</u>	<u>210,819</u>

The group overdraft facility is secured by unlimited company guarantees from the following trading group companies:

- (i) Braid Group (Holding) Limited
- (ii) Braid Logistics (UK) Limited

Notes to the consolidated financial statements

16 Creditors: amounts falling due after more than one year

	Group	
	2012	2011
	£	£
Other creditors	<u>580,770</u>	<u>329,425</u>

Included within other creditors is £480,770 in relation to the contingent consideration payable in respect of Braid Logistics (North America) LLC as referred to at note 10. These payments are due annually in June 2013, June 2014 and the remaining balance in June 2015. The amount due in June 2013 is included within other creditors shown in note 15.

17 Loans

An analysis of the maturity of loans is given below:

	Group	
	2012	2011
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>450,276</u>	<u>783,423</u>

18 Secured debts

The following secured debts are included within creditors:

	Group	
	2012	2011
	£	£
Bank overdrafts	<u>450,276</u>	<u>783,423</u>

Notes to the consolidated financial statements

19 Deferred Tax

	Group	
	2012	2011
	£	£
Deferred tax	<u>669,721</u>	<u>709,948</u>
		Deferred tax
Group		£
Balance at 1 July 2011		709,948
Foreign exchange difference		35,052
Transferred to profit and loss		(75,279)
Balance at 30 June 2012		<u>669,721</u>

20 Provisions

	Provision
Group	£
Balance at 1 July 2011	-
Additions	2,250,000
Balance at 30 June 2012	<u>2,250,000</u>

The provision is the directors' best estimate, as at the financial year end, of the costs likely to be incurred by the Group, associated with the review and investigation referred to in the directors' report.

21 Minority Interest

	2012	2011
	£	£
At 1 July 2011	1,338,316	971,391
Share of profit on ordinary activities after tax	362,449	366,925
Minority acquired	213,675	-
At 30 June 2012	<u>1,914,440</u>	<u>1,338,316</u>

Minority interests acquired in the year are within Braid Logistics (North America) LLC arising from the transaction referred to at note 10.

Notes to the consolidated financial statements

22 Called up share capital

Allotted, issued and fully paid:		Nominal	2012	2011
Number:	Class:	value:	£	£
3,744,000	Ordinary	£1	3,744,000	3,744,000
50,000	'A' Ordinary	£1	50,000	50,000
			<u>3,794,000</u>	<u>3,794,000</u>

23 Reserves

Group

	Profit and loss account	Share premium	Totals
	£	£	£
At 1 July 2011	7,736,961	110,000	7,846,961
Profit for the year	188,007	-	188,007
Currency translation difference on foreign currency net investments	92,268	-	92,268
At 30 June 2012	<u>8,017,236</u>	<u>110,000</u>	<u>8,127,236</u>

Company

	Profit and loss account	Share premium	Totals
	£	£	£
At 1 July 2011	6,349,603	110,000	6,459,603
Loss for the year	(56,968)	-	(56,968)
At 30 June 2012	<u>6,292,635</u>	<u>110,000</u>	<u>6,402,635</u>

Notes to the consolidated financial statements

24 Reconciliation of movements in shareholders' funds

Group

	2012	2011
	£	£
Profit for the financial year	188,007	2,339,076
Dividends	-	(189,700)
	<u>188,007</u>	<u>2,149,376</u>
Currency translation difference on foreign currency net investments	92,268	40,615
Shares issued (including premium)	-	160,000
Net addition to shareholders' funds	280,275	2,349,991
Opening shareholders' funds	11,640,961	9,290,970
Closing shareholders' funds	<u>11,921,236</u>	<u>11,640,961</u>

Company

	2012	2011
	£	£
(Loss)/profit for the financial year	(56,968)	1,993,902
Dividends	-	(189,700)
	<u>(56,968)</u>	<u>1,804,202</u>
Shares issued (including premium)	-	160,000
Net (reduction)/addition to shareholders' funds	(56,968)	1,964,202
Opening shareholders' funds	10,253,603	8,289,401
Closing shareholders' funds	<u>10,196,635</u>	<u>10,253,603</u>

Notes to the consolidated financial statements

25 Operating lease commitments

As at 30 June 2012, the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
< 1 year	18,014	6,199	1,834,831	1,834,831
2 - 5 years	304,112	311,235	-	-
> 5 years	-	15,487	-	-

26 Related party disclosures

The Group has taken advantage of the exemption under Financial Reporting Standard 8 "Related Party Transactions" not to disclose details of inter-company transactions that have been eliminated on consolidation.

During the year the Group traded with Pro Flex Packaging Company Pte Ltd, Ferguson Gray & Co Ltd, Pro Flex Packaging Europe Ltd and Pro Flex Packaging UK Ltd which are deemed to be related parties by virtue of the fact that there are one or more common directors. The main transactions during the year were:

	2012	2011
	£	£
Sales to related parties	827,979	469,379
Purchases from related parties	20,533,312	13,803,064

At the end of the financial year the following amounts were owed to the related parties:

	2012	2011
	£	£
Pro Flex Packaging Company Pte Ltd	5,426,651	2,966,483
Pro Flex Packaging Europe Ltd	521,244	114,090
Pro Flex Packaging UK Ltd	493,238	162,113
Ferguson Gray & Co Ltd	21,462	-