

Financial Statements

Braid Group (Holdings) Limited

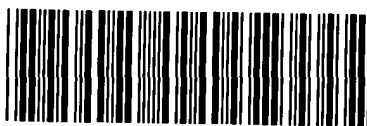
For the Year Ended 30 June 2016

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COMPANIES HOUSE

Registered number: SC299361

Braid Group (Holdings) Limited

Company Information

Directors

W A Davidson
N A H Gray
A S J Leddra
A D Watson
S Watson

Registered number

SC299361

Registered office

Riverside Braehead
4 Kings Inch Way
Renfrew
PA4 8YU

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Registered Auditor
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Bankers

The Royal Bank of Scotland plc
23 Sauchiehall Street
Glasgow
G2 5QR

Solicitors

DWF LLP
110 Queen Street
Glasgow
G1 3BX

Braid Group (Holdings) Limited

Contents

	Page
Group strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 8
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10 - 11
Company statement of financial position	12
Consolidated statement of changes in equity	13 - 14
Company statement of changes in equity	15
Consolidated Statement of cash flows	16 - 17
Notes to the financial statements	18 - 43

Braid Group (Holdings) Limited

Group Strategic Report

For the Year Ended 30 June 2016

Principal activities

Braid Group (Holdings) Limited ("Braid Group") is the ultimate holding company for all the world wide trading entities making up the Braid Logistics Group. The principal trading activity of the Braid Group is centred on bulk liquid logistics using ISO tanks or Flexitank technology. The main activities of the Group are split into five divisions:

1. Bulk liquid ISO tank operators.
2. Bulk liquid flexitank operators.
3. Project forwarding incorporating agency and chartering.
4. International export and import freight forwarding.
5. Transport and warehousing.

Overall strategy

Our strategy is to be the market leader in the bulk liquid logistics market through the use of ISO tanks and flexitanks. This strategy is based on providing world class service to our current and potential customer base of multi-national companies and maximising margins and profitability. Our aim is to continue to grow our business across all five divisions on a global basis and to build upon our reputation as market leaders in our chosen markets.

Braid Group (Holdings) Limited

Group Strategic Report

For the Year Ended 30 June 2016

Business review

The Group directors report a profit on ordinary activities before taxation and exceptional items for the financial year ended 30 June 2016 of £4,603,499 (2015: £5,469,818).

In the year to June 2016 the Group has continued to expand and grow on a global basis and, in the liquid logistics sector, the Group has maintained and developed its reputation as a provider of a quality service in the dual bulk modes of flexitanks and food grade ISO tanks. The Group is in a healthy financial state which gives it the basis to continue its development, expansion and resilience against increasing competition. Our new development in IT infrastructure will enhance our logistics and information management capabilities, along with a new website, advertising and branding initiatives.

Competition is increasingly strong, with new competitors continuing to enter the market seeking to take market share with price generally their key weapon. Many of these entrants lack the expertise and global infrastructure to match our world class service, which has made Braid the established first choice for our multinational client base who have well-founded confidence in our proven products and services. Our continued investment in technical R&D, health and safety and food safety will ensure that we will maintain our position as a global leader in flexitank technology. Our flexitank manufacturing exclusivity remains a key ingredient to maintaining quality as all flexitanks are produced in-house.

The Group continues to invest in its food grade ISO tank fleet through outright ownership and third party leasing. A new fleet management system has been introduced and this will assist in the effective management of this division and provide us with an IT system that can help us develop our global business. The fleet has expanded in 2016 with further plans to increase in 2017.

The company's forwarding, project shipping and transportation businesses remain central to the Group and further investment in sales and marketing and a global IT operations system will lead to ongoing opportunities and efficiencies within our business. We have recruited new senior people in this business and look to expand our staffing levels in 2017.

Our focus is to continue to invest in liquid logistics business, both in equipment, stock, R&D and technical support, in order to generate future organic growth, whilst potential acquisitions, orientated to the same market leadership objective, are under active consideration where suitable opportunities can be identified.

The group is well placed to deal with the anticipated price-related competition in our logistics markets and the impact of political change in North America and Europe going forward. The growth of our business on a global basis and the diversified nature of our services will enhance the quality service that we can provide to our customer base.

Our market presence and strength continues due to our own global network of offices which is being expanded and we believe we have some of the highest quality individuals in all our strategic locations.

Group Strategic Report

For the Year Ended 30 June 2016

Financial key performance indicators

Key financial performance indicators monitoring our profitability and balance sheet position are shown below:-

	2016	2015
	£m	£m
Turnover	117.5	122.9
Profit before tax	4.6	5.5
Retained profit carried forward	2.9	3.5
Net assets	23.2	17.7

Principal risks and uncertainties

In managing our business the principal risks we are exposed to are:

- Competition across all divisions;
- Reliability and quantity of supplies;
- Managing foreign currency exposure;
- Commodity price risk and impact on margins.

The board are of the opinion that the Group can respond to and mitigate the impact of these risks and uncertainties.

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 in a number of different currencies, cash equivalents, a bank overdraft facility and loans. Other financial assets and liabilities, such as trade debtors and creditors arise directly from the company's operating activities.

Braid Group (Holdings) Limited

Group Strategic Report

For the Year Ended 30 June 2016

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 cost of managing exposure to commodity price risk exceeds the potential benefits. The directors will revisit the appropriateness of this policy should the company'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 currently aims to mitigate risk by continuing to manage 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 is exposed to transaction foreign exchange risk. Currency exposure is managed by the individual group companies and this includes the use of foreign exchange option and forward contract arrangements. The directors will continue to review the appropriateness of this policy should the Group's operations change in size or nature.

This report was approved by the board on *29th March 2017* and signed on its behalf.

W A Davidson
Director



Directors' Report

For the Year Ended 30 June 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the 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 company and 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 the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the 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 company and the Group's auditor is aware of that information.

Results and dividends

The group's share of profit for the year, after taxation, amounted to £2,898,853 (2015 - £3,463,468).

The total distribution of dividends for the year ended 30 June 2016 was £nil (2015: £nil).

Braid Group (Holdings) Limited

Directors' Report (continued)

For the Year Ended 30 June 2016

Directors

The directors who served during the year were:

W A Davidson

N A H Gray

A S J Leddra

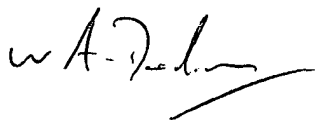
A D Watson

S Watson

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 board on *27th March 2017* and signed on its behalf.



W A Davidson
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 2016, which comprise the Group Statement of total comprehensive income, the Group and company Statements of financial position, the Group Statement of cash flows, the Group and company Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 30 June 2016 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.



Independent Auditor's Report to the Members of Braid Group (Holdings) Limited (continued)

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.

Grant Thornton UK LLP

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

Date: *31/3/17*

Braid Group (Holdings) Limited

Consolidated Statement of Total Comprehensive Income

For the Year Ended 30 June 2016

	Note	2016 £	2015 £
Turnover	4	117,497,339	122,941,153
Cost of sales		(99,518,574)	(105,110,482)
Gross profit		17,978,765	17,830,671
Administrative expenses		(13,490,422)	(12,372,655)
Operating profit	5	4,488,343	5,458,016
Income from participating interests		125,658	74,631
Interest receivable and similar income	9	33,955	10,296
Interest payable and expenses	10	(44,457)	(73,125)
Profit before taxation		4,603,499	5,469,818
Tax on profit	11	(1,199,214)	(1,120,421)
Profit for the year		3,404,285	4,349,397
Currency translation differences		2,662,848	(365,752)
Other comprehensive income for the year		2,662,848	(365,752)
Total comprehensive income for the year		6,067,133	3,983,645
Profit for the year attributable to:			
Non-controlling interests		505,432	885,929
Owners of the parent company		2,898,853	3,463,468
		3,404,285	4,349,397
Total comprehensive income for the year attributable to:			
Non-controlling interest		505,432	885,929
Owners of the parent company		5,561,701	3,097,716
		6,067,133	3,983,645

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of total comprehensive income.

The notes on pages 18 to 43 form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	13		1,796,509		1,666,212
Tangible assets	14		8,081,376		6,771,253
Investments	15		1,068,769		837,389
			<u>10,946,654</u>		<u>9,274,854</u>
Current assets					
Stocks	16	8,313,579		6,314,249	
Debtors: amounts falling due within one year	17	23,118,590		23,601,700	
Cash at bank and in hand	18	9,280,215		8,228,145	
			<u>40,712,384</u>		<u>38,144,094</u>
Creditors: amounts falling due within one year	19	(20,703,330)		(20,973,119)	
Net current assets			<u>20,009,054</u>		<u>17,170,975</u>
Total assets less current liabilities			<u>30,955,708</u>		<u>26,445,829</u>
Creditors: amounts falling due after more than one year	20		(1,447,713)		(1,603,794)
Provisions for liabilities					
Deferred taxation	23	(486,768)		(536,781)	
Other provisions	24	(1,324,145)		(2,544,835)	
			<u>(1,810,913)</u>		<u>(3,081,616)</u>
Net assets			<u><u>27,697,082</u></u>		<u><u>21,760,419</u></u>

Braid Group (Holdings) Limited
Registered number: SC299361

Consolidated Statement of Financial Position (continued)

As at 30 June 2016

	Note	2016 £	2015 £
Capital and reserves			
Called up share capital	25	3,794,000	3,794,000
Share premium account	26	110,000	110,000
Profit and loss account	26	19,323,019	13,761,318
Equity attributable to owners of the parent company		<u>23,227,019</u>	<u>17,665,318</u>
Non-controlling interests		<u>4,470,063</u>	<u>4,095,101</u>
		<u><u>27,697,082</u></u>	<u><u>21,760,419</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29th March 2017.



W A Davidson

Director

The notes on pages 18 to 43 form part of these financial statements.

Company Statement of Financial Position

As at 30 June 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	14		232,834		242,181
Investments	15		8,658,924		8,658,924
			<u>8,891,758</u>		<u>8,901,105</u>
Current assets					
Debtors: amounts falling due within one year	17	1,282,215		1,272,073	
Cash at bank and in hand	18	42,240		22,301	
		<u>1,324,455</u>		<u>1,294,374</u>	
Creditors: amounts falling due within one year	19	(727,927)		(613,629)	
Net current assets			<u>596,528</u>		<u>680,745</u>
Total assets less current liabilities			<u>9,488,286</u>		<u>9,581,850</u>
Net assets			<u><u>9,488,286</u></u>		<u><u>9,581,850</u></u>
Capital and reserves					
Called up share capital	25		3,794,000		3,794,000
Share premium account	26		110,000		110,000
Profit and loss account	26		5,584,286		5,677,850
			<u><u>9,488,286</u></u>		<u><u>9,581,850</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
29th MARCH 2017.

W A Davidson
Director



The notes on pages 18 to 43 form part of these financial statements.

Braid Group (Holdings) Limited

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2016

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 July 2015	3,794,000	110,000	13,761,318	17,665,318	4,095,101	21,760,419
Comprehensive income for the year						
Profit for the year	-	-	2,898,853	2,898,853	505,433	3,404,286
Currency translation differences	-	-	2,662,848	2,662,848	-	2,662,848
Other comprehensive income for the year	-	-	2,662,848	2,662,848	-	2,662,848
Total comprehensive income for the year	-	-	5,561,701	5,561,701	505,433	6,067,134
Member's movements	-	-	-	-	(130,471)	(130,471)
Total transactions with owners	-	-	-	-	(130,471)	(130,471)
At 30 June 2016	3,794,000	110,000	19,323,019	23,227,019	4,470,063	27,697,082

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2015

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£
At 1 July 2014	3,794,000	110,000	10,663,602	14,567,602	3,209,172	17,776,774
Comprehensive income for the year						
Profit for the year	-	-	3,463,468	3,463,468	885,929	4,349,397
Currency translation differences	-	-	(365,752)	(365,752)	-	(365,752)
Other comprehensive income for the year	-	-	(365,752)	(365,752)	-	(365,752)
Total comprehensive income for the year	-	-	3,097,716	3,097,716	885,929	3,983,645
Total transactions with owners	-	-	-	-	-	-
At 30 June 2015	3,794,000	110,000	13,761,318	17,665,318	4,095,101	21,760,419

The notes on pages 18 to 43 form part of these financial statements.

Braid Group (Holdings) Limited

Company Statement of Changes in Equity

For the Year Ended 30 June 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2015	3,794,000	110,000	5,677,850	9,581,850
Comprehensive income for the year				
Loss for the year	-	-	(93,564)	(93,564)
Total comprehensive income for the year	-	-	(93,564)	(93,564)
At 30 June 2016	3,794,000	110,000	5,584,286	9,488,286

Company Statement of Changes in Equity

For the Year Ended 30 June 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2014	3,794,000	110,000	5,689,700	9,593,700
Comprehensive income for the year				
Loss for the year	-	-	(11,850)	(11,850)
Total comprehensive income for the year	-	-	(11,850)	(11,850)
At 30 June 2015	3,794,000	110,000	5,677,850	9,581,850

The notes on pages 18 to 43 form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	3,404,285	4,349,397
Adjustments for:		
Amortisation of intangible assets	142,769	120,338
Depreciation of tangible assets	700,276	579,641
Loss on disposal of tangible assets	(8,181)	(15,028)
Interest paid	44,457	73,125
Interest received	(159,613)	(84,927)
Taxation charge	1,199,214	1,120,421
(Increase)/decrease in stocks	(1,999,330)	1,117,235
Decrease/(increase) in debtors	415,824	(956,571)
(Decrease) in creditors	(966,087)	(830,041)
(Decrease)/increase in provisions	(1,220,690)	-
Corporation tax (paid)	(1,102,066)	(1,245,359)
Currency	2,001,478	(756,005)
Net cash generated from operating activities	2,452,336	3,472,226
Cash flows from investing activities		
Purchase of intangible fixed assets	(103,391)	-
Purchase of tangible fixed assets	(1,439,883)	(338,319)
Sale of tangible fixed assets	32,253	155,498
Purchase of unlisted and other investments	(122,658)	-
Interest received	33,955	10,296
Income from investments in related companies	125,658	74,631
Net cash from investing activities	(1,474,066)	(97,894)
Cash flows from financing activities		
Movement in loan and overdraft	128,896	(22,326)
Dividends paid to minority interest	(10,639)	-
Interest paid	(44,457)	(73,125)
Net cash used in financing activities	73,800	(95,451)
Net increase in cash and cash equivalents	1,052,070	3,278,881

Braid Group (Holdings) Limited

Consolidated Statement of Cash Flows (continued)

For the Year Ended 30 June 2016

	2016 £	2015 £
Cash and cash equivalents at beginning of year	8,228,145	4,949,264
Cash and cash equivalents at the end of year	9,280,215	8,228,145
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,280,215	8,228,145
	9,280,215	8,228,145

The notes on pages 18 to 43 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1. General information

Braid Group Holdings Limited is a private company limited by shares and incorporated in Scotland. Its registered head office is located at Riverside Braehead, 4 Kings Inch Way, Renfrew, PA4 8YU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The Group and individual financial statements of Braid Group Holdings Limited have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 33.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

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.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2014.

2.4 Cash flow

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.2 (b) not to present the company statement of cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.5 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated statement of financial position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.6 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Patents	-	11 years straight line
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2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as detailed below.

Depreciation is provided on the following basis:

Land and buildings	- 2.5% straight line
Plant and machinery	- 20% & 6.67% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 5%/10%/20% straight line
ISO tanks	- Reducing balance based on remaining useful life

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.13 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.16 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.17 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of total comprehensive income 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.18 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Interest income

Interest income is recognised in the Consolidated statement of total comprehensive income using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Please refer to note 14 for the carrying value of each class of tangible fixed assets and note 2.8 for the useful economic lives of each class of asset.

Goodwill and intangible assets

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets. This estimate is based on a variety of factors such legal, regulatory or contractual provisions which can limit useful life and assumptions that market participants would consider in respect of similar businesses.

The annual amortisation charge for intangible assets is sensitive to changes in estimated useful economic lives. These are re-assessed annually. Please refer to carrying value at note 13 and note 2.7 for the useful economic life of the intangible assets.

Impairment of Intangible Assets

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of the assets can be supported. Changing the assumptions selected by management could affect the Company's impairment evaluation and hence the results. This is reviewed annually by management. See note 13 for intangible assets and no impairment charge recognised in the current year.

Stock provisioning

In calculating the recoverable amount of stock management consider the nature and condition of the stock, as well as applying assumptions around anticipated saleability of work in progress, finished goods and future usage of raw materials.

Allowance of bad and doubtful debts

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other debtors. Allowances are applied to trade and other debtors where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgements and estimates. Where the expected outcome is different from the original estimate, such difference will impact the carrying value of trade debtors and doubtful debt expenses in the period in which such estimate has been changed.

Lease commitments

The Company has entered into a number of leases as a lessee. The classification of such leases as operating or finance leases requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Exceptional Provision

In previous years the Group reported an exceptional item relating to a provision which management deemed both prudent and appropriate to make within its UK subsidiary. At this time the review was not completed and management, along with advice from professional advisors used an element of judgement and estimate to calculate an appropriate level of liability to include within the Group results. This liability is reviewed annually based upon any new information that is available throughout the course of the financial year.

Notes to the Financial Statements

For the Year Ended 30 June 2016

4. Turnover

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.

5. Operating profit

The operating profit is stated after charging:

		2016 £	2015 £
Hire of plant and machinery		2,534,503	1,444,464
Depreciation of tangible fixed assets	14	700,276	579,641
(Profit) on disposal of fixed assets		(8,181)	(20,228)
Amortisation of intangible assets, including goodwill	13	142,769	120,338
Foreign exchange differences		(517,632)	(896,718)
Dilapidations costs		167,983	182,442
Defined contribution pension cost		439,824	423,228
		<u> </u>	<u> </u>

6. Auditor's remuneration

Fees payable to the Group's auditor and its associates in respect of:

Group auditor's remuneration - UK	78,950	76,400
Group auditor's remuneration - overseas	42,765	40,900
Group auditor's remuneration for non-audit work	22,500	29,020
	<u>144,215</u>	<u>146,320</u>

Braid Group (Holdings) Limited

Notes to the Financial Statements

For the Year Ended 30 June 2016

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	8,059,421	7,479,390
Social security costs	1,037,880	1,199,624
Cost of defined contribution scheme	439,824	423,228
	<u>9,537,125</u>	<u>9,102,242</u>

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

	2016 No.	2015 No.
Direct	124	76
Sales	35	48
Administration	55	76
	<u>214</u>	<u>200</u>

8. Directors' remuneration

	2016 £	2015 £
Directors' remuneration	998,771	1,066,100
Company contributions to defined contribution pension schemes	52,451	45,107
	<u>1,051,222</u>	<u>1,111,207</u>

During the year retirement benefits were accruing to 3 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £552,357 (2015 - £511,694).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,296 (2015 - £NIL).

9. Interest receivable

	2016 £	2015 £
Other interest receivable	33,955	10,296
	<u>33,955</u>	<u>10,296</u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

10. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	40,430	39,746
Other interest payable	4,027	33,379
	<u>44,457</u>	<u>73,125</u>

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	177,124	139,238
	<u>177,124</u>	<u>139,238</u>
Overseas tax		
Overseas tax on income for the year	1,074,135	1,008,278
Overseas tax adjustments in respect of prior periods	(2,032)	3,939
	<u>1,072,103</u>	<u>1,012,217</u>
Total current tax	<u>1,249,227</u>	<u>1,151,455</u>
Deferred tax		
Origination and reversal of timing differences	2,166	(31,034)
Adjustments in respect of prior periods	1,666	-
Rate changes	(53,845)	-
Total deferred tax	<u>(50,013)</u>	<u>(31,034)</u>
Taxation on profit on ordinary activities	<u>1,199,214</u>	<u>1,120,421</u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>4,603,499</u>	<u>5,469,818</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	920,700	1,107,638
Effects of:		
Disallowed expenses and non-taxable income	2,023	(181,649)
Non-qualifying depreciation	5,542	12,835
Effect of rate changes	22,137	(41,584)
Chargeable gains	(988)	-
Adjustments in respect of prior periods	(366)	3,939
Deferred tax not recognised	149	(8,440)
Differences in overseas tax rates	250,017	227,682
Total tax charge for the year	<u>1,199,214</u>	<u>1,120,421</u>

Factors that may affect future tax charges

The rate of UK corporation tax fell from 21% to 20% on 1 April 2015. The rate will fall further to 19% from 1 April 2017 and to 18% from 1 April 2020. The Group have recognised deferred tax at a rate of 18% on the basis that they anticipate the majority of the deferred tax liability to unwind at this rate and as such it is deemed most prudent

A further reduction to 17% with effect from 1 April 2020 has been substantively enacted in Finance Act 2016 on 15 September 2016.

12. Parent company loss for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £93,564 (2015 - loss £11,850).

Notes to the Financial Statements

For the Year Ended 30 June 2016

13. Intangible assets

Group

	Intangibles £	Goodwill £	Total £
Cost			
At 1 July 2015	1,026,252	1,373,935	2,400,187
Additions	28,765	74,626	103,391
Foreign exchange movement	176,148	31,502	207,650
At 30 June 2016	1,231,165	1,480,063	2,711,228
Amortisation			
At 1 July 2015	221,244	512,731	733,975
Charge for the year	90,168	52,601	142,769
Foreign exchange movement	37,975	-	37,975
At 30 June 2016	349,387	565,332	914,719
Net book value			
At 30 June 2016	881,778	914,731	1,796,509
At 30 June 2015	805,008	861,204	1,666,212

Notes to the Financial Statements

For the Year Ended 30 June 2016

14. Tangible fixed assets

Group

	Leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 July 2015	2,748,193	5,893,279	150,788	721,386	9,513,646
Additions	-	817,806	45,327	576,750	1,439,883
Disposals	-	(64,734)	(31,933)	(297,232)	(393,899)
Exchange adjustments	428,614	179,954	39,978	57,952	706,498
At 30 June 2016	<u>3,176,807</u>	<u>6,826,305</u>	<u>204,160</u>	<u>1,058,856</u>	<u>11,266,128</u>
Depreciation					
At 1 July 2015	104,781	2,084,322	31,533	521,757	2,742,393
Charge for the period on owned assets	68,088	476,264	53,999	101,925	700,276
Disposals	-	(50,329)	(22,266)	(297,232)	(369,827)
Exchange adjustments	15,715	44,492	30,645	21,058	111,910
At 30 June 2016	<u>188,584</u>	<u>2,554,749</u>	<u>93,911</u>	<u>347,508</u>	<u>3,184,752</u>
Net book value					
At 30 June 2016	<u>2,988,223</u>	<u>4,271,556</u>	<u>110,249</u>	<u>711,348</u>	<u>8,081,376</u>
At 30 June 2015	<u>2,643,412</u>	<u>3,808,957</u>	<u>119,255</u>	<u>199,629</u>	<u>6,771,253</u>

Notes to the Financial Statements

For the Year Ended 30 June 2016

14. Tangible fixed assets (continued)

Company

	Freehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 July 2015	272,711	25,325	298,036
At 30 June 2016	272,711	25,325	298,036
Depreciation			
At 1 July 2015	40,897	14,958	55,855
Charge for the period on owned assets	6,816	2,531	9,347
At 30 June 2016	47,713	17,489	65,202
Net book value			
At 30 June 2016	224,998	7,836	232,834
At 30 June 2015	231,814	10,367	242,181

Notes to the Financial Statements

For the Year Ended 30 June 2016

15. Fixed asset investments

Group

	Interest in associates £	Unlisted investments £	Interest in joint venture £	Total £
Cost or valuation				
At 1 July 2015	536,289	13,200	287,900	837,389
Additions	75,108	-	47,555	122,663
Foreign exchange movement	108,717	-	-	108,717
At 30 June 2016	<u>720,114</u>	<u>13,200</u>	<u>335,455</u>	<u>1,068,769</u>

Net book value

At 30 June 2016	<u>720,114</u>	<u>13,200</u>	<u>335,455</u>	<u>1,068,769</u>
At 30 June 2015	<u>536,289</u>	<u>13,200</u>	<u>287,900</u>	<u>837,389</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Braid Logistics (UK) Ltd	Scotland	Ordinary	100 %	Shipping
Sarl Braid Logistics Europe	France	Ordinary	80 %	Shipping
Braid Logistics Asia Pte Ltd	Singapore	Ordinary	57 %	Shipping
Braid Bulk Liquid Packing & Trading (Shanghai) Co Ltd	China	Ordinary	57 %	Shipping
Braid Logistics Australia Pty Ltd	Australia	Ordinary	80 %	Shipping
Braid Logistics Germany GmbH	Germany	Ordinary	80 %	Shipping
Braid Logistics (North America) Inc.	U.S.A.	Ordinary	100 %	Shipping
Braid Logistics Latin America SpA*	Chile	Ordinary	100 %	Shipping
Intercomercial Limitada*	Chile	Ordinary	100 %	Shipping
Braid Logistics (North America) LLC	North America	Ordinary	60 %	Shipping

Braid Group (Holdings) Limited

Notes to the Financial Statements

For the Year Ended 30 June 2016

15. Fixed asset investments (continued)

Braid Projects (USA) LLC	North America	Ordinary	70 %	Shipping
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Participating interests

Joint ventures

Name	Country of incorporation	Class of shares	Holding	Principal activity
LEMCO	North America	Ordinary	50%	Property rental

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Pro-flex Packaging Europe Limited*	England	Ordinary	30%	Shipping
Braid Logistics Asia Sdn Bhd	Malaysia	Ordinary	22.80%	Shipping

* Financial year end is 31 December.

Company

	Shares in group undertakings £	Interest in associate £	Total £
Cost or valuation			
At 1 July 2015	8,583,924	75,000	8,658,924
At 30 June 2016	8,583,924	75,000	8,658,924
Net book value			
At 30 June 2016	8,583,924	75,000	8,658,924
At 30 June 2015	8,583,924	75,000	8,658,924

Braid Group (Holdings) Limited

Notes to the Financial Statements

For the Year Ended 30 June 2016

Group's share of associates

	Associates £
Turnover	1,160,307
	Associates £
Fixed asset	151,204
Current assets	653,427
Liabilities due within one year	(368,413)
Liabilities due after more than one year	(73,641)
	362,577

16. Stocks

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Raw materials and consumables	8,313,579	6,314,249	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	19,527,427	18,641,785	-	-
Amounts owed by group undertakings	-	-	1,271,976	1,265,013
Amounts owed by joint ventures and associated undertakings	-	365,635	-	-
Other debtors	2,207,697	2,697,427	30	30
Prepayments and accrued income	1,322,505	1,768,607	10,209	7,030
Tax recoverable	60,961	128,246	-	-
	23,118,590	23,601,700	1,282,215	1,272,073

Notes to the Financial Statements

For the Year Ended 30 June 2016

18. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	9,280,215	8,228,145	42,240	22,301

19. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans (see note 22)	197,876	218,979	-	-
Trade creditors	8,028,107	7,884,322	-	-
Amounts owed to group undertakings	-	-	657,078	538,804
Amounts owed to associates	4,042,984	5,366,910	-	-
Corporation tax	751,532	671,656	-	-
Other taxation and social security	322,170	379,422	-	-
Other creditors	498,701	335,370	-	-
Accruals and deferred income	6,861,960	6,116,460	70,849	74,825
	20,703,330	20,973,119	727,927	613,629

Included within accruals and deferred income is £149,286 (2015: £494,041) in relation to a warranty provision designed to mitigate against the risk of damaged tanks.

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

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

20. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	1,447,713	1,297,714	-	-
Other creditors	-	306,080	-	-
	1,447,713	1,603,794	-	-

Notes to the Financial Statements

For the Year Ended 30 June 2016

21. Loans

An analysis of the maturity of loans is given below:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Bank loans	197,876	218,979	-	-
Amounts falling due 1-2 years				
Bank loans	91,056	82,768	-	-
Amounts falling due 2-5 years				
Bank loans	265,583	241,406	-	-
Amounts falling due after more than 5 years				
Bank loans	1,091,074	973,540	-	-
	<u>1,645,589</u>	<u>1,516,693</u>	<u>-</u>	<u>-</u>

During the year, Braid Logistics Asia Pte Ltd, refinanced their term loans with a separate financial institution, using the proceeds to repay the original lender. The term loans are from a financial institution and are repayable in monthly installments with a repayment period of 20 years. Interest is charged at 3.18% (2015 - 3.65%) below the financial institution's commercial financing rate for the first year, 2.88% (2015 - 3.35%) below for the second year, 1.3% (2015 - 2.05%) below for the third year and 1.3% (2015 - 0.75%) below for the remaining years.

The effective interest rate is 1.53% per annum.

Term loans are secured by:

- (1) a legal mortgage of properties
- (2) a joint and several personal guarantee by two of the directors of Braid Asia subsidiary.

22. Secured debts

	Group 2016 £	Group 2015 £
Bank overdrafts/loans	<u>1,538,770</u>	<u>1,380,482</u>

Braid Group (Holdings) Limited

Notes to the Financial Statements

For the Year Ended 30 June 2016

23. Deferred taxation

Group

	2016 £
At beginning of year	536,781
Charged to profit or loss	(50,013)
Utilised in year	-
At end of year	486,768

The provision for deferred taxation is made up as follows:

	Group 2016 £
Accelerated capital allowances	486,768

24 Provisions

Group

	Provision £
At 1 July 2015	2,544,835
Utilised in year	(1,220,690)
At 30 June 2016	1,324,145

The provision is the directors' best estimate, as at the date of signing these financial statements, of the costs likely to be incurred by the Group, associated with the review and investigation within the UK subsidiary. Post year end £1.1m has been paid in final settlement of one aspect of this review. No addition has been made to the provision in the year and no further significant costs are expected in relation to this.

Notes to the Financial Statements

For the Year Ended 30 June 2016

25. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
3,744,000 Ordinary shares of £1 each	3,744,000	3,744,000
50,000 'A' Ordinary shares of £1 each	50,000	50,000
	3,794,000	3,794,000

The 'A' Ordinary shares do not carry any voting rights.

26. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium – includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account – includes all current and prior period retained profits and losses and comprises translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling (£)

27. Contingent liabilities

There has been an on-going legal dispute between the shareholders of the Group which has been heard in the Scottish Courts. As a result of this court case, the judge has issued an opinion in which he has ordered the Group to purchase a significant proportion of its shares for £2,444,000. The opinion was appealed by one of the parties and this appeal was refused by the Inner House of the Court of Session. The petitioners in the action have now submitted an application to the UK Supreme Court to hear a further appeal. No decision has yet been made as to whether this application is successful.

28. Capital commitments

As at 30 June 2016 the company had entered into agreements to purchase plant and equipment for a value of USD\$2.478m, part of which had been disbursed prior to year end. The company had no capital commitments as at 30 June 2015.

29. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £439,824 (2015 - £423,228). Contributions totalling £nil (2015 - £nil) were payable to the fund at the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2016

30. Commitments under operating leases

At 30 June 2016 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Land and buildings		
Not later than 1 year	630,834	657,591
Later than 1 year and not later than 5 years	1,148,244	1,071,563
Later than 5 years	4,527	-
Other		
Not later than 1 year	1,252,709	661,934
Later than 1 year and not later than 5 years	2,680,894	1,662,637
Later than 5 years	-	130,656

Notes to the Financial Statements

For the Year Ended 30 June 2016

31. Related party transactions

The Company has taken advantage of the exemption under FRS 102 s33.1a "Related Party Transactions" not to disclose details of inter-company transactions with wholly own subsidiaries.

During the year the Group traded with Pro Flex Packaging Company Pte Limited, Ferguson Gray & Co Limited, Pro Flex Packaging Europe Limited and Pro Flex Packaging UK Limited, Pro Flex Packaging Asia Limited and Pro Flex Packaging Singapore Pte Limited all of 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:

	2016 £	2015 £
Sales to related parties	955,907	1,266,517
Purchases from related parties	<u>21,834,955</u>	<u>19,641,575</u>

At the end of the financial year the following amounts were owed/(due) to the related parties and non wholly owned members of the group:

	2016 £	2015 £
Pro Flex Packaging Company Pte Ltd	425,572	1,806,005
Pro Flex Packaging Europe Ltd	322,713	281,263
Pro Flex Packaging UK Ltd	593,281	536,127
Pro Flex Packaging Singapore Pte Ltd	2,673,920	2,403,026
Braid Logistics Asia Sdn Bhd	-	(46,335)
Ferguson Gray & Co Ltd	27,498	21,190
Braid Logistics Australia Pty Limited	-	23,547
Braid Logistics Asia Pte Limited	167,910	76,918
Sarl Braid Logistics Europe	36,475	30,951
Braid Logistics Germany	2,165	1,550
Braid Logistics (North America) LLC	199,051	250,330
Braid Projects (USA) LLC	<u>-</u>	<u>3,075</u>

32. Post balance sheet events

The group has entered into a loan through for £1.85m through its UK subsidiary with Lombard asset finance in August 2016 in relation to funding of the assets purchased as disclosed in note 28.

Braid Group (Holdings) Limited

Notes to the Financial Statements

For the Year Ended 30 June 2016

33. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.