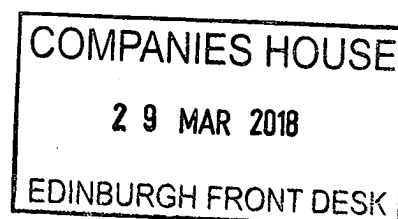


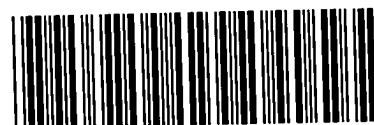
Financial Statements

Braid Group (Holdings) Limited

For the Year Ended 30 June 2017



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Registered number: SC299361

Braid Group (Holdings) Limited

Company Information

Directors	W A Davidson N A H Gray (resigned 14 June 2017) 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 30 Finsbury Square London EC2A 1AG
Bankers	The Royal Bank of Scotland plc 23 Sauchiehall Street Glasgow G2 3AD
Solicitors	DWF LLP 110 Queen Street Glasgow G1 3BX

Contents

	Page
Group strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 9
Consolidated statement of total comprehensive income	10
Consolidated statement of financial position	11 - 12
Company statement of financial position	13
Consolidated statement of changes in equity	14 - 15
Company statement of changes in equity	16
Consolidated Statement of cash flows	17 - 18
Notes to the financial statements	19 - 44

Group Strategic Report

For the Year Ended 30 June 2017

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 four 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.

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 four divisions on a global basis and to build upon our reputation as market leaders in our chosen markets.

Group Strategic Report (continued)

For the Year Ended 30 June 2017

Business review

The Group directors report a profit on ordinary activities before taxation for the financial year ended 30 June 2017 of £5,319,923 (2016: £4,603,499).

In the year to June 2017 the Group has entered a new era following successful negotiations with leading shareholders which have paved the way to consolidating the group and allow a more streamlined structure. Throughout the year growth has been extremely strong, particularly in the liquid logistics sector. The Group continues to maintain and develop its reputation as a provider of a quality service in the dual bulk liquid 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 continued development in IT infrastructure is enhancing our logistics and information management capabilities. Our product branding initiatives are near completion which will further enhance the credentials of the Braid name and presence in the global market.

Whilst competition is increasingly strong, we continue to combat these threats with the highest quality products and service in the market place which attracts the risk averse clients. Braid remain as the established first choice for our multinational client base who have well-founded confidence in our proven products and services. R&D, health and safety and food safety is being enhanced and will ensure that we will maintain our position as a global leader in flexitank technology. Our flexitank manufacturer is expanding with a new building adjacent to their existing facility being constructed for completion in 2018. This expansion provides the necessary requirements to meet market growth, compliance standards and customer needs and provides advanced plans for expansion as the flexitank market grows over the next 3-5 years.

The Group is purchasing more ISO tanks, increasing ownership verses leasing to over 50%. The new and updated fleet management system is now fully operational and will continue to assist in the effective management of this division as well as developing our global business. The fleet has expanded in 2017 with further plans to increase in 2018.

The business divisions concentrating on forwarding and Project Shipping businesses are an integral part of the group's overall strategy. They complement our core liquid logistics strength and we are looking at acquisitions in these sectors for revenue and volume growth.

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 (continued)

For the Year Ended 30 June 2017

Financial key performance indicators

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

	2017	2016
	£m	£m
Turnover	139.1	117.5
Profit before tax	5.3	4.6
Retained profit carried forward	3.5	2.9
Net assets	25.0	23.2

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.

Braid Group (Holdings) Limited

Group Strategic Report (continued)

For the Year Ended 30 June 2017

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 company has in place procedures designed to limit any adverse effects arising from these risks on the financial performance of the company 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.

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.

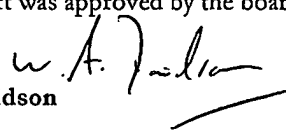
Interest rate risk

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 2018 and signed on its behalf.


W A Davidson
Director

Directors' Report

For the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law, 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 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 judgments 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

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 each director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a directors 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 profit for the year, after taxation and minority interests, amounted to £3,525,190 (2016: £2,898,853).

The total distribution of dividends for the year ended 30 June 2017 was £Nil (2016: £Nil).

Braid Group (Holdings) Limited

Directors' Report (continued)

For the Year Ended 30 June 2017

Directors

The directors who served during the year were:

W A Davidson

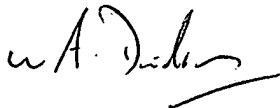
N A H Gray (resigned 14 June 2017)

A S J Leddra

A D Watson

S Watson

This report was approved by the board on 29th March 2018 and signed on its behalf.



W A Davidson
Director



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

Opinion

We have audited the financial statements of Braid Group (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2017, which comprise the Consolidated Statement of Total Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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 the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.



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

Responsibilities of directors for the financial statements

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

A handwritten signature in black ink, appearing to read "Chris Smith".

Christopher Smith (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Senior Statutory Auditor

London

Date: 29th March 2018

Consolidated Statement of Total Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 £	2016 £
Turnover	4	139,060,501	117,497,339
Cost of sales		(117,237,963)	(99,518,574)
Gross profit		21,822,538	17,978,765
Administrative expenses		(16,253,351)	(13,490,422)
Exceptional administrative expenses	12	(301,815)	-
Operating profit	5	5,267,372	4,488,343
Income from participating interests		127,757	125,658
Interest receivable and similar income	9	23,652	33,955
Interest payable and expenses	10	(98,858)	(44,457)
Profit before taxation		5,319,923	4,603,499
Tax on profit	11	(1,540,330)	(1,199,214)
Profit for the financial year		3,779,593	3,404,285
Currency translation differences		692,927	2,662,848
Other comprehensive income for the year		692,927	2,662,848
Total comprehensive income for the year		4,472,520	6,067,133
Profit for the year attributable to:			
Non-controlling interests		254,403	505,432
Owners of the parent company		3,525,190	2,898,853
		3,779,593	3,404,285
Total comprehensive income for the year attributable to:			
Non-controlling interest		254,403	505,432
Owners of the parent company		4,218,117	5,561,701
		4,472,520	6,067,133

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of total comprehensive income.

The notes on pages 19 to 44 form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	13		1,661,284		1,796,509
Tangible Fixed Assets	14		9,381,182		8,081,376
Investments	15		1,161,948		1,068,769
			<u>12,204,414</u>		<u>10,946,654</u>
Current assets					
Stocks	17	8,722,118		8,313,579	
Debtors: amounts falling due within one year	18	27,686,667		23,118,590	
Cash at bank and in hand		8,362,604		9,280,215	
		<u>44,771,389</u>		<u>40,712,384</u>	
Creditors: amounts falling due within one year	20	(23,967,754)		(20,703,330)	
Net current assets			<u>20,803,635</u>		<u>20,009,054</u>
Total assets less current liabilities			<u>33,008,049</u>		<u>30,955,708</u>
Creditors: amounts falling due after more than one year	21		(2,154,624)		(1,447,713)
Provisions for liabilities					
Deferred taxation	24	(512,030)		(486,768)	
Other provisions	25	(765,215)		(1,324,145)	
			<u>(1,277,245)</u>		<u>(1,810,913)</u>
Net assets			<u><u>29,576,180</u></u>		<u><u>27,697,082</u></u>

Braid Group (Holdings) Limited
Registered number: SC299361

Consolidated Statement of Financial Position (continued)

As at 30 June 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	26	1,350,000	3,794,000
Share premium account	27	110,000	110,000
Capital redemption reserve	27	2,444,000	-
Profit and loss account	27	21,097,136	19,323,019
Equity attributable to owners of the parent company		<u>25,001,136</u>	<u>23,227,019</u>
Non-controlling interests		<u>4,575,044</u>	<u>4,470,063</u>
		<u>29,576,180</u>	<u>27,697,082</u>

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

29th March 2018.


W A Davidson
Director

The notes on pages 19 to 44 form part of these financial statements.

Company Statement of Financial Position

As at 30 June 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	14		-		232,834
Investments	15		8,658,924		8,658,924
			<u>8,658,924</u>		<u>8,891,758</u>
Current assets					
Debtors: amounts falling due within one year	18	1,309,399		1,282,215	
Cash at bank and in hand		26,430		42,240	
		<u>1,335,829</u>		<u>1,324,455</u>	
Creditors: amounts falling due within one year	20	(3,138,988)		(727,927)	
Net current (liabilities)/assets			<u>(1,803,159)</u>		<u>596,528</u>
Total assets less current liabilities			<u>6,855,765</u>		<u>9,488,286</u>
Net assets			<u>6,855,765</u>		<u>9,488,286</u>
Capital and reserves					
Called up share capital	26		1,350,000		3,794,000
Share premium account	27		110,000		110,000
Capital redemption reserve	27		2,444,000		-
Profit and loss account brought forward		5,584,286		5,677,850	
Loss for the year		(188,521)		(93,564)	
Other changes in the profit and loss account		<u>(2,444,000)</u>		<u>-</u>	
Profit and loss account carried forward			<u>2,951,765</u>		<u>5,584,286</u>
			<u>6,855,765</u>		<u>9,488,286</u>

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

29th March 2018.

W.A Davidson
Director

The notes on pages 19 to 44 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2017

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 July 2016	3,794,000	110,000	-	19,323,019	23,227,019	4,470,063	27,697,082
Comprehensive income for the year							
Profit for the year	-	-	-	3,525,190	3,525,190	254,403	3,779,593
Currency translation differences	-	-	-	692,927	692,927	-	692,927
Other comprehensive income for the year	-	-	-	692,927	692,927	-	692,927
Total comprehensive income for the year	-	-	-	4,218,117	4,218,117	254,403	4,472,520
Purchase of own shares	-	-	2,444,000	(2,444,000)	-	-	-
Shares cancelled during the year	2,444,000)	-	-	-	(2,444,000)	-	(2,444,000)
Member's movements	-	-	-	-	-	(149,422)	(149,422)
Total transactions with owners	2,444,000)	-	2,444,000	(2,444,000)	(2,444,000)	(149,422)	(2,593,422)
At 30 June 2017	1,350,000	110,000	2,444,000	21,097,136	25,001,136	4,575,044	29,576,180

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

The notes on pages 19 to 44 form part of these financial statements.

Company Statement of Changes in Equity

For the Year Ended 30 June 2017

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2016	3,794,000	110,000	-	5,584,286	9,488,286
Comprehensive income for the year					
Loss for the year	-	-	-	(188,521)	(188,521)
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(188,521)</u>	<u>(188,521)</u>
Contributions by and distributions to owners					
Purchase of own shares	-	-	2,444,000	(2,444,000)	-
Shares cancelled during the year	(2,444,000)	-	-	-	(2,444,000)
At 30 June 2017	<u>1,350,000</u>	<u>110,000</u>	<u>2,444,000</u>	<u>2,951,765</u>	<u>6,855,765</u>

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	<u>-</u>	<u>-</u>	<u>(93,564)</u>	<u>(93,564)</u>
At 30 June 2016	<u>3,794,000</u>	<u>110,000</u>	<u>5,584,286</u>	<u>9,488,286</u>

The notes on pages 19 to 44 form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	3,779,593	3,404,285
Adjustments for:		
Amortisation of intangible assets	176,105	142,769
Depreciation of tangible assets	756,917	700,276
Loss on disposal of tangible assets	120,010	(8,181)
Interest paid	98,858	44,457
Interest received	(149,310)	(159,613)
Taxation charge	1,540,330	1,199,214
(Increase) in stocks	(408,539)	(1,999,330)
(Increase)/decrease in debtors	(4,629,038)	415,824
Increase/(decrease) in creditors	3,435,438	(837,191)
(Decrease) in provisions	(558,930)	(1,220,690)
Corporation tax (paid)	(1,772,387)	(1,102,066)
Currency	411,400	2,001,478
Net cash generated from operating activities	2,800,447	2,581,232
Cash flows from investing activities		
Purchase of intangible fixed assets	(4,835)	(103,391)
Purchase of tangible fixed assets	(2,517,735)	(1,439,883)
Sale of tangible fixed assets	575,935	32,253
Purchase of unlisted and other investments	(67,455)	(122,658)
Interest received	23,652	33,955
Income from investments in related companies	127,757	125,658
Net cash used in investing activities	(1,862,681)	(1,474,066)
Cash flows from financing activities		
Share buy back	(2,444,000)	-
New finance leases	864,086	-
Interest paid	(98,858)	(44,457)
Dividends paid to minority interest	(178,034)	(10,639)
Net cash used in financing activities	(1,856,806)	(55,096)

Consolidated Statement of Cash Flows (continued)

For the Year Ended 30 June 2017

	2017 £	2016 £
Net (decrease)/increase in cash and cash equivalents	(919,040)	1,052,070
Cash and cash equivalents at beginning of year	9,280,215	8,228,145
Cash and cash equivalents at the end of year	8,361,175	9,280,215
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,362,604	9,280,215
Bank overdrafts	(1,429)	-
	8,361,175	9,280,215

The notes on pages 19 to 44 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2017

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 unless otherwise specified within these accounting policies 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.

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 judgment 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 company 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 Consolidated 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 total 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.

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.

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 2017

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 total 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 2017

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 total 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 ten 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 2017

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 2017

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 total 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 total 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 of the recoverable amount, 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 Consolidated 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 2017

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 total 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 total comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of total 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 total 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 2017

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 2015 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 total 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 total 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 total 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 2017

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 total 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 Consolidated 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.

2.23 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

Notes to the Financial Statements

For the Year Ended 30 June 2017

3. Judgments 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 judgment, 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 judgments 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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

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:

	2017	2016
	£	£
Hire of plant and machinery	3,070,393	2,534,503
Depreciation of tangible fixed assets	756,917	700,276
Loss/(Profit) on disposal of fixed assets	120,010	(8,181)
Amortisation of intangible assets, including goodwill	176,105	142,769
Foreign exchange differences	98,648	(517,632)
Dilapidations costs	220,000	167,983
Defined contribution pension cost	631,052	439,824

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	154,064	121,715
Fees payable to the group's auditor and its associates in respect of:		
Group auditor's remuneration - UK	80,570	78,950
Group auditor's remuneration - overseas	73,494	42,765
Group auditor's remuneration for non-audit work	32,742	22,500
	186,806	144,215

Notes to the Financial Statements

For the Year Ended 30 June 2017

7. Employees

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Wages and salaries	8,954,000	8,059,421	517,180	455,738
Social security costs	1,341,931	1,037,880	-	-
Cost of defined contribution scheme	631,052	439,824	36,316	45,941
	<u>10,926,983</u>	<u>9,537,125</u>	<u>553,496</u>	<u>501,679</u>

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

	2017 No.	2016 No.
Direct	122	124
Sales	34	35
Administration	66	55
	<u>222</u>	<u>214</u>

Key management personnel are considered to be the Group Board, their remuneration is detailed below.

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	1,178,360	998,771
Company contributions to defined contribution pension schemes	45,056	52,451
	<u>1,223,416</u>	<u>1,051,222</u>

During the year retirement benefits were accruing to 3 directors (2016: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £651,108 (2016: £552,357).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,815 (2016: £7,296).

Notes to the Financial Statements

For the Year Ended 30 June 2017

9. Interest receivable

	2017 £	2016 £
Other interest receivable	23,652	33,955

10. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	39,274	40,430
Other loan interest payable	55,522	-
Other interest payable	4,062	4,027
	98,858	44,457

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	205,932	177,124
	205,932	177,124
Foreign tax		
Overseas tax on income for the year	1,235,546	1,074,135
Overseas tax adjustments in respect of prior periods	73,590	(2,032)
	1,309,136	1,072,103
Total current tax	1,515,068	1,249,227
Deferred tax		
Origination and reversal of timing differences	2,164	2,166
Adjustments in respect of prior periods	50,986	1,666
Rate changes	(27,888)	(53,845)
Total deferred tax	25,262	(50,013)
Taxation on profit on ordinary activities	1,540,330	1,199,214

Notes to the Financial Statements

For the Year Ended 30 June 2017

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.75% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	5,319,923	4,603,499
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016: 20%)	1,050,685	920,700
Effects of:		
Disallowed expenses and non-taxable income	174,874	2,023
Non-qualifying depreciation	(10,834)	5,542
Effect of rate changes	(28,501)	22,137
Chargeable gains	-	(988)
Adjustments in respect of prior periods	124,577	(366)
Deferred tax not recognised	1,257	149
Differences in overseas tax rates	228,272	250,017
Total tax charge for the year	1,540,330	1,199,214

Factors that may affect future tax charges

The corporation tax rate has reduced to 19% from 1 April 2017. The rate will reduce to 18% from 1 April 2020. A further reduction to 17% with effect from 1 April 2020 has been substantively enacted in Finance Act 2016 on 15 September 2016. Deferred tax balances have been recognised at 17%.

12. Exceptional items

	2017 £	2016 £
Exceptional items	301,815	-

Included within exceptional costs in the current year are costs in association with restructuring the company's activities and costs associated with an ongoing supplier dispute.

Notes to the Financial Statements

For the Year Ended 30 June 2017

13. Intangible assets

Group

	Patents £	Goodwill £	Total £
Cost			
At 1 July 2016	1,231,165	1,480,063	2,711,228
Additions	4,835	-	4,835
Foreign exchange movement	37,882	8,914	46,796
At 30 June 2017	<u>1,273,882</u>	<u>1,488,977</u>	<u>2,762,859</u>
Amortisation			
At 1 July 2016	349,387	565,332	914,719
Charge for the year	92,942	83,163	176,105
Foreign exchange movement	10,751	-	10,751
At 30 June 2017	<u>453,080</u>	<u>648,495</u>	<u>1,101,575</u>
Net book value			
At 30 June 2017	<u>820,802</u>	<u>840,482</u>	<u>1,661,284</u>
At 30 June 2016	<u>881,778</u>	<u>914,731</u>	<u>1,796,509</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

14. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 July 2016	3,176,807	6,826,305	204,160	1,058,856	11,266,128
Additions	-	2,195,146	50,532	272,057	2,517,735
Disposals	(272,711)	(716,767)	(7,287)	(178,840)	(1,175,605)
Exchange adjustments	84,023	46,778	36,719	14,397	181,917
At 30 June 2017	<u>2,988,119</u>	<u>8,351,462</u>	<u>284,124</u>	<u>1,166,470</u>	<u>12,790,175</u>
Depreciation					
At 1 July 2016	188,584	2,554,749	93,911	347,508	3,184,752
Charge for the year on owned assets	67,133	430,461	38,612	220,711	756,917
Disposals	(51,689)	(382,228)	5,814	(171,027)	(599,130)
Exchange adjustments	5,186	38,294	6,474	16,500	66,454
At 30 June 2017	<u>209,214</u>	<u>2,641,276</u>	<u>144,811</u>	<u>413,692</u>	<u>3,408,993</u>
Net book value					
At 30 June 2017	<u>2,778,905</u>	<u>5,710,186</u>	<u>139,313</u>	<u>752,778</u>	<u>9,381,182</u>
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>

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	<u>2,778,905</u>	<u>2,988,223</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

14. Tangible fixed assets (continued)

Company

	Freehold property £	Fixtures and fittings £	Total £
At 1 July 2016	272,711	25,325	298,036
Disposals	(272,711)	(25,325)	(298,036)
At 30 June 2017	-	-	-
At 1 July 2016	47,713	17,489	65,202
Charge for the year on owned assets	3,976	4,355	8,331
Disposals	(51,689)	(21,844)	(73,533)
At 30 June 2017	-	-	-
Net book value			
At 30 June 2017	-	-	-
At 30 June 2016	224,998	7,836	232,834

Notes to the Financial Statements

For the Year Ended 30 June 2017

15. Fixed asset investments

Group

	Investments in associates £	Unlisted investments £	Investment in joint ventures £	Total £
Cost or valuation				
At 1 July 2016	720,114	13,200	335,455	1,068,769
Additions	44,140	-	23,315	67,455
Foreign exchange movement	17,081	-	8,643	25,724
At 30 June 2017	<u>781,335</u>	<u>13,200</u>	<u>367,413</u>	<u>1,161,948</u>
Net book value				
At 30 June 2017	<u>781,335</u>	<u>13,200</u>	<u>367,413</u>	<u>1,161,948</u>
At 30 June 2016	<u>720,114</u>	<u>13,200</u>	<u>335,455</u>	<u>1,068,769</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Braid Logistics (UK) Ltd	Ordinary	100 %	Shipping
Sarl Braid Logistics Europe	Ordinary	80 %	Shipping
Braid Logistics Asia Pte Ltd	Ordinary	57 %	Shipping
Braid Bulk Liquid Packing & Trading (Shanghai) Co Ltd	Ordinary	57 %	Shipping
Braid Logistics Australia Pty Ltd	Ordinary	80 %	Shipping
Braid Logistics Germany GmbH	Ordinary	80 %	Shipping
Braid Logistics (North America) Inc.	Ordinary	100 %	Shipping
Braid Logistics Latin America SpA*	Ordinary	100 %	Shipping
Intercommercial Limitada*	Ordinary	100 %	Shipping
Braid Logistics (North America) LLC	Ordinary	60 %	Shipping
Braid Projects (USA) LLC	Ordinary	70 %	Shipping

Notes to the Financial Statements

For the Year Ended 30 June 2017

15. Fixed asset investments (continued)

Braid Logistics Latin America S.A.	Ordinary	100 %	Shipping
Name	Registered office		
Braid Logistics (UK) Ltd	Scotland		
Sarl Braid Logistics Europe	France		
Braid Logistics Asia Pte Ltd	Singapore		
Braid Bulk Liquid Packing & Trading (Shanghai) Co Ltd	China		
Braid Logistics Australia Pty Ltd	Australia		
Braid Logistics Germany GmbH	Germany		
Braid Logistics (North America) Inc.	U.S.A		
Braid Logistics Latin America SpA*	Chile		
Intercommercial Limitada*	Chile		
Braid Logistics (North America) LLC	North America		
Braid Projects (USA) LLC	North America		
Braid Logistics Latin America S.A.	Uruguay		

Participating interests

Joint ventures

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

Associates

Name	Registered office	Class of shares	Holding	Principal activity
Pro-flex Packaging Europe Limited*	England	Ordinary	30%	Shipping
Braid Logistics Asia Sdn Bhd	Malaysia	Ordinary	22.8%	Shipping

* Financial year end is 31 December.

Notes to the Financial Statements

For the Year Ended 30 June 2017

15. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 July 2016	8,583,924	75,000	8,658,924
At 30 June 2017	8,583,924	75,000	8,658,924
Net book value			
At 30 June 2017	8,583,924	75,000	8,658,924
At 30 June 2016	8,583,924	75,000	8,658,924

16. Secured debts

Group's share of associates

	2017 £	2016 £
Turnover	1,069,804	1,160,307
Fixed asset	111,969	151,204
Current assets	634,671	653,427
Liabilities due within one year	(260,891)	(368,413)
Liabilities due after more than one year	(82,196)	(73,641)
	403,553	362,577

Notes to the Financial Statements

For the Year Ended 30 June 2017

17. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Raw materials and consumables	8,722,118	8,313,579	-	-

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

18. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	23,933,474	19,527,427	-	-
Amounts owed by group undertakings	-	-	1,304,693	1,271,976
Amounts owed by related parties	122,550	-	-	-
Other debtors	1,688,489	2,207,697	-	30
Prepayments and accrued income	1,942,154	1,322,505	4,706	10,209
Tax recoverable	-	60,961	-	-
	27,686,667	23,118,590	1,309,399	1,282,215

19. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	8,362,604	9,280,215	26,430	42,240

Notes to the Financial Statements

For the Year Ended 30 June 2017

20. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank overdrafts	1,428	-	-	-
Bank loans (see note 21)	260,724	197,876	-	-
Trade creditors	9,511,146	8,028,107	-	-
Amounts owed to group undertakings	-	-	3,058,729	657,078
Amounts owed to related parties	5,501,052	4,042,984	-	-
Corporation tax	433,252	751,532	(30)	-
Other taxation and social security	467,784	322,170	-	-
Obligations under finance lease and hire purchase contracts	209,974	-	-	-
Other creditors	437,774	498,701	-	-
Accruals and deferred income	7,144,620	6,861,960	80,289	70,849
	<u>23,967,754</u>	<u>20,703,330</u>	<u>3,138,988</u>	<u>727,927</u>

Included within accruals and deferred income is £Nil (2016: £149,286) 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

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	1,382,459	1,447,713	-	-
Other creditors	118,053	-	-	-
Net obligations under finance leases and hire purchase contracts	654,112	-	-	-
	<u>2,154,624</u>	<u>1,447,713</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

22. Loans

An analysis of the maturity of loans is given below:

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Amounts falling due within one year				
Bank loans	260,724	197,876	-	-
Amounts falling due 1-2 years				
Bank loans	94,983	91,056	-	-
Amounts falling due 2-5 years				
Bank loans	277,034	265,583	-	-
Amounts falling due after more than 5 years				
Bank loans	1,010,442	1,091,074	-	-
	<u>1,643,183</u>	<u>1,645,589</u>	<u>-</u>	<u>-</u>

During the prior 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% (2016: 3.18%) below the financial institution's commercial financing rate for the first year, 2.88% (2016: 2.88%) below for the second year, 1.3% (2016: 1.3%) below for the third year and 1.3% (2016: 1.3%) below for the remaining years.

The effective interest rate is 1.75% 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.

The amount of secured debt in the year to 30 June 2017 is £1,477,442 (2016: £1,538,770).

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £	Group 2016 £
Within one year	209,974	-
Between 1-2 years	185,531	-
Between 2-5 years	468,581	-
	<u>864,086</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

24. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	486,768	536,781
Charged to profit or loss	-	(50,013)
Utilised in year	25,262	-
At end of year	512,030	486,768

The provision for deferred taxation is made up as follows:

	Group 2017 £	Group 2016 £
Fixed asset timing differences	512,030	486,768

25. Provisions

Group

	Provision £
At 1 July 2016	1,324,145
Charged to profit or loss	635,154
Utilised in year	(1,194,084)
At 30 June 2017	765,215

The amounts included within provisions in the current year are in relation to a dilapidations provision and costs associated with an ongoing supplier dispute.

26. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1,300,000 (2016: 3,744,000) Ordinary shares of £1 each	1,300,000	3,744,000
50,000 'A' Ordinary shares of £1 each	50,000	50,000

Notes to the Financial Statements

For the Year Ended 30 June 2017

26. Share capital (continued)

<u>1,350,000</u>	<u>3,794,000</u>
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The 'A' Ordinary shares do not carry any voting rights.

During the year 2,444,000 ordinary shares with an aggregate nominal value of £2,444,000 were purchased by the company from a previous shareholder and subsequently cancelled. The shareholders approved a resolution to purchase these shares. The ordinary shares were acquired for a consideration of £2,444,000 at an average price of £1 per share. The ordinary shares represented 65% of the called up ordinary share capital.

27. 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 (£)

Capital redemption reserve- this reserve records the nominal value of shares repurchased by the company.

28. Contingent liabilities

There were no contingent liabilities at 30 June 2017 or 30 June 2016.

29. Capital commitments

As at 30 June 2017 there were no capital commitments (2016: USD \$2.478m).

30. 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 £631,052 (2016: £439,824). Contributions totalling £Nil (2016: £Nil) were payable to the fund at the reporting date.

Notes to the Financial Statements

For the Year Ended 30 June 2017

31. Commitments under operating leases

At 30 June 2017 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £	Group 2016 £
Land and buildings		
Not later than 1 year	661,346	630,834
Later than 1 year and not later than 5 years	981,181	1,148,244
Later than 5 years	53,616	4,527
Other		
Not later than 1 year	2,123,579	1,252,709
Later than 1 year and not later than 5 years	2,361,255	2,680,894
Later than 5 years	35,045	-

Notes to the Financial Statements

For the Year Ended 30 June 2017

32. 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:

	2017 £	2016 £
Sales to related parties	1,085,837	955,907
Purchases from related parties	23,155,471	21,834,955

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:

	2017 £	2016 £
Pro Flex Packaging Company Pte Ltd	617,363	425,572
Pro Flex Packaging Europe Ltd	352,180	322,713
Pro Flex Packaging UK Ltd	610,366	593,281
Pro Flex Packaging Singapore Pte Ltd	3,887,223	2,673,920
Braid Logistics Asia Sdn Bhd	-	-
Ferguson Gray & Co Ltd	19,920	27,498
Braid Logistics Australia Pty Limited	384,615	-
Braid Logistics Asia Pte Limited	826,923	167,910
Sarl Braid Logistics Europe	710,919	36,475
Braid Logistics Germany	(3,047)	2,165
Braid Logistics (North America) LLC	(137,315)	199,051
Braid Projects (USA) LLC	-	-

33. Post balance sheet events

There have been no significant events affecting the group since the year end.