

## Consolidated Cash Flow Statement

	6 months ended 30.06.07 (Unaudited) £000	6 months ended 30.06.06 (Unaudited) £000	Year ended 31.12.06 (Audited) £000
<b>Cash flows from operating activities</b>			
Profit for the period	410	378	599
Adjustments for:			
Depreciation	468	486	947
Financial expense	161	197	358
Profit on sale of property, plant and equipment	-	(3)	-
Taxation	172	153	308
<b>Operating profit before changes in working capital and provisions</b>	<b>1,211</b>	<b>1,211</b>	<b>2,212</b>
Movement in trade and other receivables	(1,095)	(1,887)	657
Movement in stock	299	(564)	198
Movement in trade and other payables	(22)	2,452	(86)
Movement in employee benefits	(82)	(53)	(316)
<b>Cash generated from Operations</b>	<b>311</b>	<b>1,159</b>	<b>2,665</b>
Income tax paid	1	80	108
<b>Net cash generated from operating activities</b>	<b>312</b>	<b>1,239</b>	<b>2,773</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of PPE	21	17	37
Purchases of property, plant and equipment (PPE)	(649)	(228)	(579)
<b>Net Cash used in investing activities</b>	<b>(628)</b>	<b>(211)</b>	<b>(542)</b>
<b>Cash flows from financing activities</b>			
Interest paid	(161)	(197)	(306)
Repayments of borrowings	(116)	(286)	(403)
New finance leases	245	-	-
Finance lease payments	(176)	(233)	(385)
Dividends paid to company's shareholders	-	-	(254)
<b>Net cash used in financing activities</b>	<b>(208)</b>	<b>(716)</b>	<b>(1,348)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(524)</b>	<b>312</b>	<b>883</b>
Cash and cash equivalents at beginning of the period	(2,014)	(2,897)	(2,897)
<b>Cash and cash equivalents at end of the period</b>	<b>(2,538)</b>	<b>(2,585)</b>	<b>(2,014)</b>

## Directors

<b>Directors</b>	ARB Burrows (Chairman) MQ Harrison (Managing) RP Corbett (resigned 06.09.2007) JE Greve MJ Cadbury
<b>Secretary</b>	CA Parker, FCA
<b>Registered office</b>	Claydon Business Park Gipping Road Great Blakenham Ipswich Suffolk IP6 0NL United Kingdom
<b>Registered number</b>	405838
<b>Principal subsidiaries</b>	Tex Industrial Plastics Limited Tex Plastic Products Limited  BSP International Foundations Limited Eurotex International Limited Tex Engineering Limited Tex Industrialised Construction Systems Limited Tex A.T.C. Limited  QK Honeycomb Products Limited



## Interim Report



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—○ Plastics

—○ Engineering

—○ Boards & Panels

2007

## Chairman's Statement

Tex Group turnover for the six months to 30th June 2007 amounted to £17.7m - an increase of just over 5% on the comparable first half figure in 2006. Pre-tax profit totalled £582k which represents a rise of 10% over the amount recorded in the previous year.

Sales in the Plastics Division were £10.1m which compares with £9.1m in 2006 - an increase of 11%. Pre-tax profit earned was £395k as against £191k in 2006: performance at Derby was steady, whilst there was a marked improvement at Barnstaple in Devon which largely accounted for the divisional year on year uplift. The plastic injection moulding market remains competitive, but both Tex companies have a significant number of client tooling programmes under development and both have recently won significant new accounts - which augurs positively for the future.

The Engineering Division saw turnover largely unchanged in the first half at £4.3m, although the trading result was fractionally

below breakeven as a result of contract timings. Looking forward to the second half, the expectation is for profitable trading on higher turnover, as last year.

In the Boards & Panels Division, turnover at £3.3m was marginally down on the figure recorded in the first half of 2006, but profitability at £163k was better than last year due mainly to overhead downsizing which was carried through in November 2006.

Across the Group as a whole, the current indications are that both turnover and profitability will be stronger in the second half with order books generally remaining firm and a number of contracts coming to maturity. The Board is proposing to pay an interim dividend of 3.5 pence (2006: 3.0 pence) which will be paid on 15th October 2007 to Shareholders on the register as at 21st September 2007.

A.R.B. Burrows  
Chairman  
7th September 2007

## Consolidated Income Statement

	6 months ended 30.06.07 (Unaudited) £000	6 months ended 30.06.06 (Unaudited) £000	Year ended 31.12.06 (Audited) £000
Turnover	17,678	16,830	34,498
Cost of sales	(11,781)	(11,234)	(25,537)
<b>Gross profit</b>	<b>5,897</b>	<b>5,596</b>	<b>8,961</b>
Selling and marketing costs	(410)	(445)	(966)
Administrative expenses	(4,744)	(4,423)	(6,730)
<b>Operating profit</b>	<b>743</b>	<b>728</b>	<b>1,265</b>
Finance costs	(161)	(197)	(358)
<b>Profit before tax</b>	<b>582</b>	<b>531</b>	<b>907</b>
Taxation	(172)	(153)	(308)
<b>Profit for the period</b>	<b>410</b>	<b>378</b>	<b>599</b>
<b>Basic earnings per share</b>	<b>6.5p</b>	<b>6.0p</b>	<b>9.4p</b>

### STATEMENT OF RECOGNISED INCOME AND EXPENSE

Actuarial gains arising in defined benefit pension scheme	-	-	1,774
Tax recognised on income and expenses recognised directly in equity	-	-	(532)
Net income recognised directly in equity	-	-	1,242
<b>Profit for the period</b>	<b>410</b>	<b>378</b>	<b>599</b>
<b>Total recognised income and expense</b>	<b>410</b>	<b>378</b>	<b>1,841</b>

#### Notes:

- Taxation has been computed on the basis of an expected effective Corporation Tax rate of 30% (2006: 30%)
- The calculation of earnings per share is based on profit after tax and on the average of fully paid up shares (6,351,452 in the period under review).
- The accounting policies in place and standards applied are consistent with those at the year ended 31 December 2006, except for IFRS 7 (Financial instruments: disclosures) which apply for the first time this year. The impact of this standard is disclosure only.
- A copy of this interim report has been circulated to shareholders and will be available from the Company's registered office at Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL.
- Comparative annual figures for the year ended 31 December 2006 set out within this report have been extracted from the 2006 annual report and accounts as published by the Group on 25 April 2007. Statutory consolidated financial statements for the Group for the year ended 31 December 2006 prepared in accordance with adopted IFRS on which KPMG Audit Plc gave an unqualified opinion and did not contain a statement under section 237(2) or (3) of the Companies Act 1985, have been delivered to the Registrar of Companies.

## Consolidated Balance Sheet

	As at 30.06.07 (Unaudited) £000	As at 30.06.06 (Unaudited) £000	As at 31.12.06 (Audited) £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7,163	7,136	7,003
Goodwill	252	252	252
Deferred tax assets	-	99	-
	<u>7,415</u>	<u>7,487</u>	<u>7,255</u>
<b>Current assets</b>			
Stocks	4,915	5,976	5,214
Tax receivable	-	-	-
Trade and other receivables	8,497	9,946	7,402
	<u>13,412</u>	<u>15,922</u>	<u>12,616</u>
<b>Total assets</b>	<b>20,827</b>	<b>23,409</b>	<b>19,871</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the parent</b>			
Share capital	635	635	635
Other reserves	2,906	2,906	2,906
Retained earnings	4,788	3,169	4,378
<b>Total equity</b>	<b>8,329</b>	<b>6,710</b>	<b>7,919</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Other interest bearing loans and borrowings	2,056	2,029	1,853
Employee benefits	278	2,345	360
Deferred tax liabilities	480	-	455
	<u>2,814</u>	<u>4,374</u>	<u>2,668</u>
<b>Current liabilities</b>			
Bank overdraft	2,538	2,585	2,014
Other interest bearing loans and borrowings	270	613	520
Trade and other payables	6,564	9,124	6,586
Tax payable	312	3	164
	<u>9,684</u>	<u>12,325</u>	<u>9,284</u>
<b>Total liabilities</b>	<b>12,498</b>	<b>16,699</b>	<b>11,952</b>
<b>Total equity and liabilities</b>	<b>20,827</b>	<b>23,409</b>	<b>19,871</b>

## Consolidated Statement of Changes in Equity

	Share Capital £000	Capital Redemption Reserve £000	Share Premium Account £000	Retained Earnings £000	Total Equity £000
Balance at 1 January 2006	635	16	2,890	2,791	6,332
Profit for the period	-	-	-	378	378
Pension fund actuarial movement net of tax	-	-	-	-	-
Dividends paid	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>378</u>	<u>378</u>
Balance at 30 June 2006	<u>635</u>	<u>16</u>	<u>2,890</u>	<u>3,169</u>	<u>6,710</u>
Balance at 1 January 2006	635	16	2,890	2,791	6,332
Profit for the period	-	-	-	599	599
Pension fund actuarial movement net of tax	-	-	-	1,242	1,242
Dividends paid	-	-	-	(254)	(254)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,587</u>	<u>1,587</u>
Balance at 31 December 2006	<u>635</u>	<u>16</u>	<u>2,890</u>	<u>4,378</u>	<u>7,919</u>
Balance at 1 January 2007	635	16	2,890	4,378	7,919
Profit for the period	-	-	-	410	410
Pension fund actuarial movement net of tax	-	-	-	-	-
Dividends paid	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>410</u>	<u>410</u>
Balance at 30 June 2007	<u>635</u>	<u>16</u>	<u>2,890</u>	<u>4,788</u>	<u>8,329</u>