



Interim Report

—○ Plastics

—○ Engineering

—○ Boards & Panels

2009

Directors

Directors	ARB Burrows (Chairman) MJ Cadbury C Palmer-Tomkinson
Secretary	CA Parker, FCA
Registered office	Claydon Business Park Gipping Road Great Blakenham Ipswich Suffolk IP6 0NL United Kingdom
Registered number	405838
Principal subsidiaries	Tex Industrial Plastics Limited Tex Plastic Products Limited BSP International Foundations Limited Eurotex International Limited Tex Engineering Limited Tex Industrialised Construction Systems Limited Tex Special Projects Limited Tex A.T.C. Services Limited QK Honeycomb Products Limited

Chairman's Statement

Tex Group turnover for the six months to 30th June 2009 amounted to £17m, a decrease of 10% over the comparable figure in 2008. Pre-tax profit totalled £523K which represents a reduction of 31% over the previous year.

Sales in the Plastics Division were £8.0m which compares with £10.3m in 2008, a decrease reflecting the impact of the economic slowdown and resulting reduced trading levels. Operating profit earned was £93k in 2009 down from the comparable period's £556k. This represents the impact of the loss of volume and the cost of reorganization to operate at the reduced volumes.

The Engineering Division saw a 35% increase in turnover to £7.6m compared to the same period in 2008. Operating profit also increased from £452k to £852k reflecting the impact of the additional sales. The economic slowdown is now impacting sales levels, but the Division is expected to remain profitable.

In the Boards & Panels Division turnover dropped by 45% to £1.8m, resulting in the Division making an operating loss of £106k compared to a profit of £216k. The previous year's

restructuring exercise has seen the losses in the first half controlled and further restructuring is being evaluated.

The Group order book has reduced in line with the general market downturn and the absence of the proposed governmental expenditure on schools and roads. At present the Board feel the second half trading will continue to be tough.

These exceptional economic conditions make forecasting the next twelve months difficult. However management is concentrating on controlling costs in line with the expected trading levels.

Cash continues to be prioritised and has been in line with budgeted expectations.

The Board is proposing to pay an interim dividend of 1.0 pence (2008: 4.5 pence) which will be paid on 12th October 2009 to shareholders on the register as at 18th September 2009.

A.R.B. Burrows
Chairman
25th August 2009

Responsibility Statement in respect of the interim financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU;
- the interim management report includes a fair review of the information required by Disclosure and Transparency Rules (“DTR”) 4.2.7R (indication of the important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein).

A R B Burrows
Chairman
25th August 2009

Consolidated Statement of Comprehensive Income

		6 months ended 30.06.09 (Unaudited) £000	6 months ended 30.06.08 (Unaudited) £000	Year ended 31.12.08 (Audited) £000
Revenue	Notes 3	17,463	19,332	35,761
Cost of sales		<u>(11,830)</u>	<u>(12,636)</u>	<u>(26,741)</u>
Gross profit		5,633	6,696	9,020
Selling and marketing costs		<u>(346)</u>	<u>(465)</u>	<u>(879)</u>
Other administrative expenses		<u>(4,611)</u>	<u>(5,342)</u>	<u>(7,256)</u>
Restructuring costs		<u>-</u>	<u>-</u>	<u>(377)</u>
Administrative expenses		<u>(4,611)</u>	<u>(5,342)</u>	<u>(7,633)</u>
Operating profit		676	889	508
Finance costs		<u>(153)</u>	<u>(136)</u>	<u>(109)</u>
Profit before tax		523	753	399
Taxation		<u>(153)</u>	<u>(223)</u>	<u>(280)</u>
Profit for the period attributable to the equity holders of the parent		370	530	119
Other comprehensive income:				
Actuarial losses arising in defined benefit pension scheme		-	-	(2,604)
Tax recognised on on actuarial losses in defined pension scheme		<u>-</u>	<u>-</u>	<u>729</u>
Total comprehensive income for the period		<u>370</u>	<u>530</u>	<u>(1,756)</u>
Basic earnings per share		<u>5.8p</u>	<u>8.3p</u>	<u>1.9p</u>

Consolidated Statement of Financial Position

	Notes	30.06.09 (Unaudited) £000	30.06.08 (Unaudited) £000	31.12.08 (Audited) £000
ASSETS				
Non-current assets				
Property, plant and equipment	7	6,307	6,985	6,599
Goodwill		268	252	318
Deferred tax assets		125	–	125
		<u>6,700</u>	<u>7,237</u>	<u>7,042</u>
Current assets				
Stocks		5,567	5,822	5,409
Trade and other receivables		7,457	9,147	6,358
Cash		334	–	–
		<u>13,358</u>	<u>14,969</u>	<u>11,767</u>
Total assets		<u><u>20,058</u></u>	<u><u>22,206</u></u>	<u><u>18,809</u></u>
EQUITY				
Capital and reserves attributable to the equity holders of the parent				
Share capital		635	635	635
Other reserves		2,906	2,906	2,906
Retained earnings		2,942	5,397	2,572
Total equity		<u><u>6,483</u></u>	<u><u>8,938</u></u>	<u><u>6,113</u></u>
LIABILITIES				
Non-current liabilities				
Other interest bearing loans and borrowings		3,387	1,845	1,692
Employee benefits		2,408	–	2,308
Deferred tax liabilities		–	529	–
		<u>5,795</u>	<u>2,374</u>	<u>4,000</u>
Current liabilities				
Bank overdraft		–	2,345	1,703
Other interest bearing loans and borrowings		531	154	215
Trade and other payables		6,832	7,868	6,508
Tax payable		417	527	270
		<u>7,780</u>	<u>10,894</u>	<u>8,696</u>
Total liabilities		<u><u>13,575</u></u>	<u><u>13,268</u></u>	<u><u>12,696</u></u>
Total equity and liabilities		<u><u>20,058</u></u>	<u><u>22,206</u></u>	<u><u>18,809</u></u>

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 2008	635	16	2,890	4,867	8,408
Profit for the period	-	-	-	530	530
Pension fund actuarial movement net of tax	-	-	-	-	-
Dividends paid	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>530</u>	<u>530</u>
Balance at 30 June 2008	<u>635</u>	<u>16</u>	<u>2,890</u>	<u>5,397</u>	<u>8,938</u>
Balance at 1 January 2008	635	16	2,890	4,867	8,408
Profit for the period	-	-	-	119	119
Pension fund actuarial movement net of tax	-	-	-	(1,875)	(1,875)
Dividends paid	-	-	-	(539)	(539)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,295)</u>	<u>(2,295)</u>
Balance at 31 December 2008	<u>635</u>	<u>16</u>	<u>2,890</u>	<u>2,572</u>	<u>6,113</u>
Balance at 1 January 2009	635	16	2,890	2,572	6,113
Profit for the period	-	-	-	370	370
Pension fund actuarial movement net of tax	-	-	-	-	-
Dividends paid	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>370</u>	<u>370</u>
Balance at 30 June 2009	<u>635</u>	<u>16</u>	<u>2,890</u>	<u>2,942</u>	<u>6,483</u>

Consolidated Statement of Cash Flows

	6 months ended 30.06.09 (Unaudited) £000	6 months ended 30.06.08 (Unaudited) £000	Year ended 31.12.08 (Audited) £000
Cash flows from operating activities			
Profit for the period	370	530	119
Adjustments for:			
Depreciation	484	526	1,043
Goodwill impairment	50	-	102
Financial expense	153	136	109
Loss on sale of property, plant and equipment	-	-	182
Taxation	153	223	280
Operating profit before changes in working capital and provisions	<u>1,210</u>	<u>1,415</u>	<u>1,835</u>
Movement in trade and other receivables	(1,099)	540	3,329
Movement in stock	(158)	(473)	(60)
Movement in trade and other payables	324	(690)	(2,158)
Movement in employee benefits	100	(108)	(178)
Cash generated from operations	<u>377</u>	<u>684</u>	<u>2,768</u>
Income tax paid	(6)	(52)	(290)
Net cash generated from operating activities	<u>371</u>	<u>632</u>	<u>2,478</u>
Cash flows from investing activities			
Proceeds from sale of PPE	49	78	98
Purchase of goodwill	-	-	(168)
Purchases of property, plant and equipment (PPE)	(241)	(471)	(805)
Net cash used in investing activities	<u>(192)</u>	<u>(393)</u>	<u>(875)</u>
Cash flows from financing activities			
Interest paid	(153)	(136)	(228)
Repayments of borrowings	(16)	(16)	(33)
New borrowings	2,000	-	-
New finance leases	128	-	-
Finance lease payments	(101)	(99)	(173)
Dividends paid to company's shareholders	-	-	(539)
Net cash used in financing activities	<u>1,858</u>	<u>(251)</u>	<u>(973)</u>
Net increase in cash and cash equivalents	<u>2,037</u>	<u>(12)</u>	<u>630</u>
Cash and cash equivalents at beginning of the period	<u>(1,703)</u>	<u>(2,333)</u>	<u>(2,333)</u>
Cash and cash equivalents at end of the period	<u>334</u>	<u>(2,345)</u>	<u>(1,703)</u>

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards as adopted by EU and in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

The comparative figures for the financial year ended 31st December 2008 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2. Significant accounting policies

The condensed financial statements have been prepared under the historical cost convention, except for the revaluation of certain properties and financial instruments. The same accounting policies, presentation and methods of computation are followed in these condensed financial statements as were applied in the preparation of the Group's financial statements for the year ended 31st December 2008.

3. Segment information

The following is an analysis of the revenue and results for the period, analysed by business segment, the Group's primary basis of segmentation.

	Plastics	Engineering	Boards & Panels	Total for continuing operations
2009	£000	£000	£000	£000
Revenue				
External sales	7,988	7,630	1,845	17,463
Inter segment sales	—	—	—	—
Total revenue from continuing operations	<u>7,988</u>	<u>7,630</u>	<u>1,845</u>	<u>17,463</u>
Result				
Segment result from continuing operations	93	852	(106)	839
Expenses pertaining to the Company				(163)
Operating profit				676
Finance costs				(153)
Profit before tax				523
Taxation				(153)
Profit for the year from continuing operations				<u>370</u>

Notes to the Condensed Consolidated Financial Statements (continued)

3. Segment information (continued)

Segment information about the Group's continuing operations is presented below.

	Plastics	Engineering	Boards & Panels	Total for continuing operations
2008	£000	£000	£000	£000
Revenue				
External sales	10,354	5,632	3,346	19,332
Inter segment sales	—	—	—	—
Total revenue from continuing operations	<u>10,354</u>	<u>5,632</u>	<u>3,346</u>	<u>19,332</u>
Result				
Segment result from continuing operations	556	452	216	1,224
Expenses pertaining to the Company				<u>(335)</u>
Operating profit				889
Finance costs				<u>(136)</u>
Profit before tax				753
Taxation				<u>(223)</u>
Profit for the year from continuing operations				<u>530</u>

4. Income tax (charge) credit

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 30% (6 months ended 30 June 2008: 30%)

5. Earnings per share

Basic earnings per share of 5.8p (2008: 8.3p) is based on the following data.

Earnings	6 months ended 30.06.09 (Unaudited) £000	6 months ended 30.06.08 (Unaudited) £000
Earnings for the purposes of basic earnings per share (profit for the period attributable to equity holders of the parent)	<u>370</u>	<u>530</u>

Notes to the Condensed Consolidated Financial Statements (continued)

Number of shares	6 months	6 months
	ended	ended
	30.06.09	30.06.08
	(Unaudited)	(Unaudited)
	£000	£000
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>6,351,452</u>	<u>6,351,452</u>

6. Dividends

During the interim period no dividends were paid (2008: £Nil).

7. Property, plant and equipment

During the period, the Group spent £241,000 on additions to the plant and equipment.

It also disposed of certain machinery and equipment with a carrying value of £49,000 for proceeds of £49,000.

8. Contingencies and commitments

None to report.

9. Events after the balance sheet date

None to report.

10. Related party transactions

The Company has a related party relationship with its subsidiaries and directors.

ARB Burrows was a director of Edward Le Bas Properties Limited through which the Group rents properties at normal commercial rates. Transactions during the period ended 30 June 2009 that require disclosure are detailed below:

Rentals paid	£103,000 (30 June 2008: £103,000)
Trade Creditor	£Nil (30 June 2008: £Nil)

ARB Burrows is a trustee and a beneficiary of the Pension and Assurance Scheme of Edward Le Bas Limited which is a substantial shareholder in the Company.

All intra-group related party transactions and outstanding balances are eliminated in the preparation of the consolidated financial statements of the Group and therefore in accordance with IAS 24 related party disclosures are not disclosed.

11. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on 24th August 2009.

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HOLDINGS p l c

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