

Tex Holdings plc

Preliminary Announcement

31st December 2010
Registered number 405838

Results in Brief

	Year ended 31/12/10 £000	Year ended 31/12/09 £000
Revenue	33,103	33,013
Profit before taxation	688	418
Taxation	(130)	(134)
Profit on ordinary activities after taxation	558	284
Total equity	7,438	6,329
Net assets per share	117p	100p
Basic earnings per share	8.8p	4.5p
Diluted earnings per share	8.8p	4.5p
Dividends per share (based on interim dividend in the year and final dividend proposed)	2.0p	2.0p

Results and Operations

Tex Group sales for the 12 months to 31st December 2010 amounted to £33.1m compared with £33.0m in 2009. The past year has been a year of stabilisation and restructuring to build foundations for the future and to improve the profitability of the sales achieved.

Pre-tax profit earned in 2010 was £688k compared with £418k in 2009.

Both the Plastics Division and the Boards & Panels Division improved their sales levels and also their pre-tax results, with the Plastics Division doubling its operating profit. The Engineering Division contracted further but, as a result of cost control, was able to limit the impact on the operating profit.

Prospects and Dividend

The orders for the first quarter are in line with budget but, with uncertainties in the Middle East, EEC difficulties with many countries in substantial deficits, and the increase in VAT in the UK, the future continues to be unpredictable. However, our order book is at present in excess of £10,000,000. This is ahead of the long-term average and is therefore encouraging.

In the current uncertain climate, the Board feels it is necessary to retain the dividend at the lowly level of 1.0 pence (2009: 1.0 pence) which would make a total of 2.0 pence in 2010 (2009: 2.0 pence), as we wish to strengthen the balance sheet so we have less reliance on the banking sector.

The Group reduced its borrowings by £700,000 in 2010 and we intend to continue this policy for the foreseeable future.

The final dividend will be paid, subject to shareholder approval, on 22nd July 2011 to members on the register as at 17th June 2011.

Staff

It has been another busy and demanding year, and I would like to thank staff at all levels in the Group for their contribution.

Consolidated Income Statement
for the year ended 31st December 2010

	Year ended	Year ended
	31/12/10	31/12/09
	£000	£000
Revenue	33,103	33,013
Cost of sales	<u>(24,791)</u>	<u>(24,947)</u>
Gross profit	8,312	8,066
Selling and marketing costs	<u>(742)</u>	<u>(495)</u>
Administrative expenses	<u>(6,717)</u>	<u>(6,880)</u>
Operating profit	853	691
Finance costs	<u>(165)</u>	<u>(273)</u>
Profit before tax	688	418
Taxation	<u>(130)</u>	<u>(134)</u>
Profit for the year attributable to the equity holders of the Parent	<u>558</u>	<u>284</u>
Earnings per share		
Basic and diluted	<u>8.8p</u>	<u>4.5p</u>

All of the activities of the Group relate to continuing operations.

All the amounts are attributable to the equity holders of the parent company.

**Statements of Recognised Income and Expense
for the year ended 31st December 2010**

Group	Year ended 31/12/10	Year ended 31/12/09
	£000	£000
Profit for the year	558	284
Actuarial gains and losses on defined benefit pension plans	941	82
Tax recognised on expenses and income recognised directly in equity	(263)	(23)
Net income recognised directly in equity	678	59
Total recognised income and expense attributable to the equity holders of the Parent	1,236	343

Balance Sheets
at 31st December 2010

	31/12/10	31/12/09
	£000	£000
Assets		
Non-current assets		
Property, plant and equipment	5,599	6,104
Intangible assets	-	218
Investments	-	-
Deferred tax assets	-	145
	5,599	6,467
Current assets		
Stocks	5,626	5,234
Tax receivable	-	-
Trade and other receivables	7,754	7,229
Cash and cash equivalents	-	38
	13,380	12,501
Total assets	18,979	18,968
Equity		
Capital and reserves attributable to the equity holders of the Parent		
Share capital	635	635
Other reserves	2,906	2,906
Retained earnings	3,897	2,788
Total equity	7,438	6,329
Liabilities		
Non-current liabilities		
Other interest-bearing loans and borrowings	1,890	2,628
Employee benefits	1,137	2,206
Deferred tax liabilities	12	-
	3,039	4,834
Current liabilities		
Bank overdrafts	285	-
Other interest-bearing loans and borrowings	919	869
Trade and other payables	6,889	6,647
Tax payable	409	289
	8,502	7,805
Total liabilities	11,541	12,639
Total equity and liabilities	18,979	18,968

These financial statements were approved by the Board of Directors on 5th April 2011 and were signed on its behalf by:

A R B Burrows
Director

M J Cadbury
Director

Registered number: 405838

**Statement of Changes in Equity
at 31st December 2010**

Group	Share capital £000	Capital reserve £000	Share premium account £000	Retained earnings £000	Total £000
Balance at 1st January 2009	635	16	2,890	2,572	6,113
Profit for the period	-	-	-	284	284
Pension fund actuarial movement net of tax	-	-	-	59	59
Dividends paid	-	-	-	(127)	(127)
Balance at 1st January 2010	635	16	2,890	2,788	6,329
Profit for the period	-	-	-	558	558
Pension fund actuarial movement net of tax	-	-	-	678	678
Dividends paid	-	-	-	(127)	(127)
Balance at 31st December 2010	635	16	2,890	3,897	7,438

The aggregate current and deferred tax relating to items that are charged or credited to equity is £263,000 (2009: £23,000).

Cash Flow Statement
for the year ended 31st December 2010

	Year ended	Year ended
	31/12/10	31/12/09
	£000	£000
Cash flows from operating activities		
Profit for the year	558	284
<i>Adjustments for :</i>		
Depreciation	1,014	988
Goodwill impairment	218	100
Financial expense	165	273
Profit on sale of property plant and equipment	(18)	-
Taxation	130	134
	2,067	1,779
(Increase)/decrease in trade and other receivables	(525)	(871)
(Increase)/decrease in stock	(392)	175
Increase in trade and other payables	242	139
Decrease in employee benefits	(150)	(150)
Cash generated from operations	1,242	1,072
Income tax paid	(116)	(158)
Net cash generated from operating activities	1,126	914
 Cash flows from investing activities		
Purchases of property, plant and equipment (PPE)	(610)	(520)
Purchase of goodwill	-	-
Proceeds from sale of PPE	119	27
Dividends received	-	-
Investment loans to subsidiaries	-	-
Net cash used in investing activities	(491)	(493)
 Cash flows from financing activities		
New borrowings	207	2,219
Repayments of borrowings	(700)	(367)
Finance lease payments	(195)	(262)
Interest paid	(143)	(143)
Dividends paid to Company's shareholders	(127)	(127)
Net cash used in financing activities	(958)	1,320
 Net (decrease)/increase in cash and cash equivalents	(323)	1,741
Cash and cash equivalents at beginning of the year	38	(1,703)
Cash and cash equivalents at end of the year	(285)	38

Notes:

- 1) The financial information set out above does not constitute the Group's statutory accounts for the years ended 31st December 2009 or 31st December 2010. The statutory accounts for 31st December 2010 will be finalised on the basis of financial information presented by the Directors on this preliminary announcement and will be delivered to the Registrar of Companies following the Company's Annual General Meeting.