



Interim Report

—○ Plastics

—○ Engineering

—○ Boards & Panels

2014

Directors

Directors	ARB Burrows (Chairman) CD Palmer-Tomkinson CA Parker, FCA D Redhead
Secretary	CA Parker, FCA
Registered office	Claydon Business Park Gipping Road Great Blakenham Ipswich Suffolk IP6 0NL United Kingdom
Registered number	00405838
Principal subsidiaries	Tex Plastics (Derby) Limited Tex Plastics (Barnstaple) Limited BSP International Foundations Limited Eurotex International Limited Tex Engineering Limited Tex Special Projects Limited Tex A.T.C. Services Limited Tex Air Traffic Control Rooms Limited QK Honeycomb Products Limited

Chairman's Statement

Group turnover for the six months to 30th June 2014 was down by 9% over the same period in the previous year. This potential shortfall in profit was recovered as a result of the absence of further significant costs on the Muscat project and the rental income from the 40 tonne hammer.

With the exception of the Boards & Panels Division, all divisions saw a decrease in sales compared to the first six months of 2013.

Profit in the Plastics Division has improved as a result of mix of work. Engineering was a mixed picture with BSP trading strongly on the back of the rental and sale of the 40 tonne hammer, this being offset by the underperformance of the balance of the Division as a result of, in the case of Eurotex, delayed contracts, and in Tex Engineering, lower than anticipated margins. An exercise to review the margins within Tex Engineering has been undertaken and it is anticipated that this subsidiary should recover to a breakeven position. The Boards & Panels Division continues to improve on a further modest increase in sales.

The current order book is down on last year, however enquiries are at the

prior year's level and the rate of conversion is consistent with previous years; it is the time-period from quote to order that is extending as the markets remain nervous.

This, along with the current political turmoil in the world and the continued strengthening of Sterling, tempers any optimism that the Board could draw from the first half results. The current indications are for the full year trading to be consistent with recent full year results.

The Board are also mindful of the impact a significant drop in the FTSE would have on the Pension Scheme deficit and therefore the Group balance sheet.

Cash and cost control remain a corporate priority.

The Board is proposing to pay an interim dividend of 2.0 pence (2013: 1.5 pence) which will be paid on 6th October 2014 to shareholders on the register as at 12th September 2014.

ARB Burrows
Chairman
8th August 2014

Responsibility Statement in respect of the interim financial report

We confirm that to the best of our knowledge:

- the interim condensed consolidated financial statements have 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
8th August 2014

Consolidated Statement of Comprehensive Income

		6 months ended 30.06.14 (Unaudited) £000	6 months ended 30.06.13 (Unaudited) £000	Year ended 31.12.13 (Audited) £000
Revenue	Notes 3	17,743	19,439	38,379
Cost of sales		<u>(11,420)</u>	<u>(13,378)</u>	<u>(29,256)</u>
Gross profit		6,323	6,061	9,123
Selling and marketing costs		(435)	(420)	(905)
Administrative expenses		<u>(5,325)</u>	<u>(5,184)</u>	<u>(7,214)</u>
Operating profit		563	457	1,004
Finance costs		<u>(104)</u>	<u>(133)</u>	<u>(260)</u>
Profit before taxation		459	324	744
Taxation	4	<u>(97)</u>	<u>(84)</u>	<u>(164)</u>
Profit for the period		362	240	580
Other comprehensive income:				
Change in value of available-for-sale financial assets		-	(45)	(37)
Actuarial gain arising on defined benefit pension scheme		-		2,313
Tax recognised on actuarial gain on defined pension scheme		-	-	(537)
Total comprehensive income for the period		<u>362</u>	<u>195</u>	<u>2,319</u>
Basic and diluted earnings per share		<u>5.7p</u>	<u>3.8p</u>	<u>9.1p</u>

Consolidated Balance Sheet

	Notes	As at 30.06.14 (Unaudited) £000	As at 30.06.13 (Unaudited) £000	As at 31.12.13 (Audited) £000
ASSETS				
Non-current assets				
Property, plant and equipment	7	5,627	5,735	6,058
Deferred tax assets		<u>357</u>	<u>876</u>	<u>353</u>
		5,984	6,611	6,411
Current assets				
Inventories		6,450	6,784	6,128
Trade and other receivables		8,857	10,486	10,059
Available-for-sale financial assets		-	411	253
Cash in hand		<u>840</u>	<u>-</u>	<u>-</u>
		16,147	17,681	16,440
Total assets		<u>22,131</u>	<u>24,292</u>	<u>22,851</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		<u>6,030</u>	<u>3,830</u>	<u>5,668</u>
Total equity		<u>9,571</u>	<u>7,371</u>	<u>9,209</u>
LIABILITIES				
Non-current liabilities				
Other interest-bearing loans and borrowings		1,907	2,595	2,332
Employee benefits		<u>1,350</u>	<u>3,662</u>	<u>1,370</u>
		3,257	6,257	3,702
Current liabilities				
Bank overdraft		-	1,170	1,106
Other interest-bearing loans and borrowings		902	874	713
Trade and other payables		7,775	7,726	7,580
Provision for other liabilities and charges		270	473	270
Tax payable		<u>356</u>	<u>421</u>	<u>271</u>
		9,303	10,664	9,940
Total liabilities		<u>12,560</u>	<u>16,921</u>	<u>13,642</u>
Total equity and liabilities		<u>22,131</u>	<u>24,292</u>	<u>22,851</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 2013	635	16	2,890	3,635	7,176
Profit for the period	-	-	-	240	240
Change in value of available-for-sale financial assets	-	-	-	(45)	(45)
Pension fund actuarial movement net of tax	-	-	-	-	-
Dividends paid	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>195</u>	<u>195</u>
Balance at 30 June 2013	<u>635</u>	<u>16</u>	<u>2,890</u>	<u>3,830</u>	<u>7,371</u>
Balance at 1 January 2013	635	16	2,890	3,635	7,176
Profit for the period	-	-	-	580	580
Change in value of available-for-sale financial assets	-	-	-	(37)	(37)
Pension fund actuarial movement net of tax	-	-	-	1,776	1,776
Dividends paid	-	-	-	(286)	(286)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,033</u>	<u>2,033</u>
Balance at 31 December 2013	<u>635</u>	<u>16</u>	<u>2,890</u>	<u>5,668</u>	<u>9,209</u>
Balance at 1 January 2014	635	16	2,890	5,668	9,209
Profit for the period	-	-	-	362	362
Change in value of available-for-sale financial assets	-	-	-	-	-
Pension fund actuarial movement net of tax	-	-	-	-	-
Dividends paid	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>362</u>	<u>362</u>
Balance at 30 June 2014	<u>635</u>	<u>16</u>	<u>2,890</u>	<u>6,030</u>	<u>9,571</u>

Consolidated Statement of Cash Flows

	6 months ended 30.06.14 (Unaudited) £000	6 months ended 30.06.13 (Unaudited) £000	Year ended 31.12.13 (Audited) £000
Cash flows from operating activities			
Profit for the period	362	240	580
Adjustments for:			
Depreciation	535	544	1,141
Financial costs	104	133	260
Taxation	97	84	164
Operating profit before changes in working capital and provisions	1,098	1,001	2,145
Movement in trade and other receivables	1,202	719	1,146
Movement in inventories	(322)	(488)	168
Movement in trade and other payables	195	(207)	(353)
Increase in provisions	-	-	(203)
Movement in employee benefits	(50)	(50)	(100)
Cash generated from operations	2,123	975	2,803
Tax (paid)/recovered	(16)	87	(157)
Net cash generated from operating activities	2,107	1,062	2,646
Cash flows from investing activities			
Purchases of property, plant and equipment (PPE)	(490)	(603)	(1,494)
Proceeds from sale of PPE	386	88	59
Realisation of available-for-sale financial assets	253	39	205
Net cash used in investing activities	149	(476)	(1,230)
Cash flows from financing activities			
New borrowings	128	261	226
Repayments of borrowings	(216)	(216)	(432)
Finance lease payments	(148)	(219)	(392)
Interest paid	(74)	(57)	(113)
Dividends paid to company's shareholders	-	-	(286)
Net cash used in financing activities	(310)	(231)	(997)
Net increase in cash and cash equivalents	1,946	355	419
Cash and cash equivalents at beginning of the period	(1,106)	(1,525)	(1,525)
Cash and cash equivalents at end of the period	840	(1,170)	(1,106)

Notes to the Interim Condensed Consolidated Financial Statements

1. Basis of preparation

The condensed consolidated 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 condensed consolidated financial statements have not been audited or reviewed.

The comparative figures for the financial year ended 31st December 2013 are not the statutory financial statements for that financial year. Those financial statements 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 consolidated financial statements have been prepared under the historical cost convention.

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31st December 2013.

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
2014	£000	£000	£000	£000
Revenue				
Total revenue from continuing operations	<u>9,937</u>	<u>5,762</u>	<u>2,044</u>	<u>17,743</u>
Result				
Segment result from continuing operations	520	101	159	780
Expenses pertaining to the Company				(217)
Operating profit				563
Finance costs				(104)
Profit before tax				459
Taxation				(97)
Profit for the period from continuing operations				<u>362</u>

All operations are continuing.

Notes to the Interim 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
	£000	£000	£000	£000
2013				
Revenue				
Total revenue from continuing operations	<u>11,420</u>	<u>6,106</u>	<u>1,913</u>	<u>19,439</u>
Result				
Segment result from continuing operations	391	16	132	539
Expenses pertaining to the Company				<u>(82)</u>
Operating profit				457
Finance costs				<u>(133)</u>
Profit before tax				324
Taxation				<u>(84)</u>
Profit for the period from continuing operations				<u>240</u>

4. Taxation

Interim period corporation tax is accrued based on the estimated average annual effective income tax rate of 21% (6 months ended 30th June 2013: 26%).

5. Earnings per share

Basic earnings per share of 5.6p (2013: 3.8p) is based on the following data.

Earnings	6 months ended 30.06.14 (Unaudited) £000	6 months ended 30.06.13 (Unaudited) £000
Earnings for the purposes of basic earnings per share	<u>362</u>	<u>240</u>
Number of shares	6 months ended 30.06.14 (Unaudited)	6 months ended 30.06.13 (Unaudited)
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>6,351,452</u>	<u>6,351,452</u>

Notes to the Interim Condensed Consolidated Financial Statements (continued)

6. Dividends

During the interim period no dividends were paid (2013: £Nil).

7. Property, plant and equipment

During the period, the Group spent £490,000 on additions to the plant and equipment.

It also disposed of certain machinery and equipment with a carrying value of £386,000 for proceeds of £386,000.

8. Related party transactions

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

A R B Burrows has an interest in Edward Le Bas Properties Limited through which the Group rents properties at normal commercial rates. Transactions during the period ended 30th June 2014 that require disclosure are detailed below:

Rentals paid	£163,000 (30 June 2013: £150,000)
Trade Creditor	£Nil (30 June 2013: £Nil)

A R B 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.

9. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on 8th August 2014.

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HOLDINGS p l c

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