TEX HOLDINGS plc

ENGINEERING

PLASTICS

BOARDS & PANELS

ANNUAL REPORT & ACCOUNTS 2014

Fabricating a BSP HP125 Power Pack at the Ipswich, UK factory.

CONTENTS

CORPORATE OVERVIEW

CHAIRMAN'S STATEMENT

Results for year ended 31st December 2014

Results and operations

Tex Group sales to December 2014 were £2,300,000 down on the previous year, as the Group looked to cull the lower margin products and to improve profitability.

The Plastics Division achieved a £300,000 improvement in profit. The Engineering Division achieved a modest profit compared to the previous year loss which was caused by the poor performance of the contracting businesses in 2013. The Boards & Panels Division maintained its performance.

The Group's net assets per share have decreased from 145 pence to 137 pence as a result of the impact of the movement in the Pension Scheme deficit.

Prospects and dividends

Orders for the first quarter are modest as expected and the Board remains cautious, given the current worldwide political and economic uncertainties.

Due to the increase in the pre-tax profit, we recommend a final dividend of 4.0 pence (2013: 2.5 pence), making an overall payment in respect of the year of 6.0 pence (2013: 4.0 pence).

The final dividend will be paid, subject to shareholder approval, on 24th July 2015 to members on the register as at 26th June 2015.

Staff

I would like to thank staff at all levels in the Group for their contribution to the result for the year in the current demanding times.

ARB Burrows
Chairman
17th April 2015

CORPORATE OVERVIEW

CORPORATE SUMMARY

Since the 2013 year was impacted by the additional costs in respect of the Oman contract, 2014 was a better year and returned a higher profit. The results though were impacted by the costs associated with the proposed Scheme of Arrangement mid year.

The Tex Group as a holding company is maintaining its strategy to offer a balance of products, markets and territories in which it operates in order to mitigate risk.

Cash control and profitability remain priorities.

Employee gender diversity at the year end is summarised in note 5.

CA Parker
Executive Director
17th April 2015

CORPORATE OVERVIEW

RESULTS IN BRIEF

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Revenue	36,021	38,379
Profit before taxation	1,179	744
Taxation	(312)	(164)
Profit after taxation	867	580
Total equity	8,730	9,209
Net assets per share	137p	145p
Basic earnings per share	13.7p	9.1p
Diluted earnings per share	13.7p	9.1p
Dividends per share (based on interim dividend in the year and final dividend proposed)	6.0p	4.0p

FIVE YEAR FINANCIAL SUMMARY

	Year ended 31/12/14 £000	Year ended 31/12/13 £000	Year ended 31/12/12 £000	Year ended 31/12/11 £000	Year ended 31/12/10 £000
Revenue	36,021	38,379	38,997	36,829	33,103
Profit before taxation	1,179	744	1,109	1,541	688
Profit before taxation as a percentage of revenue	3.3%	1.9%	2.8%	4.2%	2.1%
Profit after taxation	867	580	876	1,321	558
Basic earnings per share	13.7p	9.1p	13.8p	20.8p	8.8p
Diluted earnings per share	13.7p	9.1p	13.8p	20.8p	8.8p
Dividend per share (based on interim dividend in the year and final dividend proposed)	6.0p	4.0p	4.5p	4.0p	2.0p
Year end total equity	8,730	9,209	7,176	6,753	7,438
Profit before taxation as a percentage return on average total equity	13.1%	9.1%	15.9%	21.7%	10.0%
Net assets per share	137p	145p	113p	106p	117p

STRATEGIC REPORT

ENGINEERING DIVISION

BSP International Foundations Limited

Design and manufacture of a proprietary range of piling and dynamic compaction equipment for the ground engineering sector.

The turnover remained above £6,000,000 as a result of the hire and subsequent sale of the 40 tonne piling hammer. The pre-tax profit for the year was impacted by the depreciation on the 40 tonne hammer and the reduced level of manufacturing in the latter part of the year.

The Company continues to develop hammers and power packs with a view to reducing the noise levels and meeting the various required emission constraints around the world.

Enquiry levels are consistent with previous years, however the current political and economic uncertainties have meant that the conversion rate has slipped. The Company is nevertheless on schedule to meet its budgeted trading levels.

Tex Engineering Limited

Manufacture and sale of road-making and associated equipment, trailers and steel enclosures.

Sales were in line with the previous year, but the gross margin was four percentage points down as a result of the sales mix. The workload was uneven owing to the flow of customer demand. This pushed up overheads and was partly responsible for a loss similar to 2012.

A review of the Company's products and pricing structures is underway with the aim of returning the Company to profitability.

2015 has opened in line with expectations.

Our clients:

Liebherr

SGTM

Watson & Hillhouse

Van Elle Ltd

Keller

J Murphy & Son Ltd

Pilequip

LD Winter

RA Machinery

BPH

Tower Mark Limited

ICE Far East

Various Sovereign Navies and Coastguards around the world

Leafield Logistics Ltd

BAE Systems Ltd

Sri Lankan Government Railway

Malaysian Railway

TOP:

BSP DX-SP Hammer, excavator mounted, driving sheet piles, Whatlington, East Sussex, UK.

ABOVE:

BSP CGL590 (40t) Piling hammer being delivered to the Maracaibo Bridge Project in Venezuela.

STRATEGIC REPORT

ENGINEERING DIVISION CONTINUED

Eurotex International Limited

Marine diesel engine and governor rebuilding; parts supply and technical support; engineering and procurement services.

As foreshadowed during the year, the results were affected by a number of projects failing to reach fruition; many of these projects still remain live. Margins on the sales were two percentage points up reflecting a stronger mix of sales. This, combined with control of overheads, reduced the loss for the year.

2015 has opened with a spate of short-term service work.

Tex A.T.C. Services Limited (Air Traffic Control)

Design, manufacture and installation of air traffic control rooms.

The Muscat project has been handed over. Formal acceptance has yet to be signed off.

The Company is tendering for a number of projects worldwide.

Tex Special Projects Limited

Design and manufacture of bespoke and modular structures; Radio Frequency-blocking glazing for both civilian and military applications.

The contract for the 'Flyco' control rooms on the two aircraft carrier projects is ongoing. The glazing of the control room on one of the carriers has been delayed until 2015 which has had an impact on the result for the year. The Company has however benefited from the broadening of the scope of work undertaken.

2015 should now benefit from the final glazing of the control room on the Queen Elizabeth. The bridge glazing of the Prince of Wales was completed in January, earlier than had been planned. There is now a possibility that the balance of the work to be done on the Prince of Wales will be brought forward into 2015/early 2016.

Talks are being held with a number of sovereign navies in an effort to promote the advantages that have been developed in Radio Frequency-blocking screened glass.

Tex Air Traffic Control Rooms Limited

Design, manufacture and installation of air traffic control rooms.

The Company did not trade during the year. The loss for the year is accounted for by the shortfall in claim receipts. The Company is still chasing further claims relating to the Manchester control room project.

Our clients:

RNLI – Inshore Rescue Trailers

Roofing Tool Supplies – Boilers

Elster Instromet

HM Prison/HM Young Offender Institution

Xylem

Eurovia

Carillion-Alawi LLC

Morgan Sindall

Debut (South West) Ltd

Defence Estates

Thales Naval

BAE Systems

Babcock Marine

Aircraft Carrier Alliance

Parkinson Limited

Federal Aviation Authority Nigeria (FAAN)

Bohamet

Vetrotech Saint-Gobain Kinon GmbH

NATS

Contrack International

US Corps of Engineers

TOP:
Ruston RK270 engine undergoing in-situ routine maintenance at Eurotex International.

ABOVE LEFT:
Mobile Bridge Decking unit. Designed for the manufacture and application of bridge expansion jointing material. Supplied complete with ancillary equipment and latest road safety requirements.

ABOVE RIGHT:
Tex A.T.C.'s project team installing one of the 1200kg 'Maxi-View' glazing panels in the Visual Control Room at Muscat International Airport's new air traffic control tower.

STRATEGIC REPORT

PLASTICS DIVISION

Tex Plastics (Derby) Limited

Precision injection moulding; assembly and finishing services; tooling procurement.

Tex Plastics (Barnstaple) Limited

Precision injection moulding; assembly services; tooling procurement.

A strategic decision was taken by the Derby factory to abandon low-margin business. Sales were therefore 12% lower. Efforts better to manage overheads were combined with an improvement in the mix of sales. This led to a significant improvement in pre-tax profits, as compared with the 2013 result.

Barnstaple sales remained stable. A small increase in margins offset a modest increase in overheads.

The opening months of 2015 have tracked budget expectations.

Our clients:

Baxi Heating UK Ltd

Kennedy Hygiene Products Ltd

Indesit Company UK Ltd

Triton Showers

Pall Corporation

Rocialle Healthcare

Colson Castors Ltd

Triumph Motorcycles Ltd

Optus

Marley

TOP:

Tex Plastics has been successful in developing next generation modules with a market leader of optical testing equipment, to develop the very latest hi-tech unit.

ABOVE LEFT:

Buddi Strap - complete design and development of safety assurance for elderly people; early warning location alarm and transmitter device.

ABOVE RIGHT:

Barnstaple Whiteroom - business continues to grow for its Clean/White Room moulding facility.

STRATEGIC REPORT

BOARDS & PANELS DIVISION

QK Honeycomb Products Limited

Manufacture and sale of lightweight boards and panels.

Turnover grew by 8% owing to higher sales in the lightweight panels division. The Company remains in profit, while there is a push underway to strengthen margins further.

The 2015 year has opened in line with the budget expectations.

CA Parker
Executive Director
17th April 2015

Our clients:

Karndean International
The Swift Group
Senator International Ltd
Bailey Caravans
Clip Ltd
Auto-Sleepers
Coachman Caravan Company Ltd

TOP:
Typical Karndean retailer showing QK panels to showcase the flooring manufacturer's products.

ABOVE LEFT:
Autocruise van showing QK tops and tables in the front lounge area.

ABOVE RIGHT:
Feature lighting raft for Wm. Morrison, constructed using Q4 laminate faced panels.

Directors' Report
for the year ended 31st December 2014

The Directors have pleasure in submitting their Annual Report and financial statements for the year ended 31st December 2014.

Principal activities and strategic report
The Group's principal activities are the manufacture and supply of proprietary piling equipment, engineering products, plastic injection moulding and tooling procurement and boards and panels. The names of subsidiaries and their principal activities are set out in note 13 to the financial statements.

The Board considers the following as Key Performance Indicators (KPIs) for the Group: revenue, operating profit, cash flow and capital investment. The Board members review these for each of the businesses on a monthly basis. Individual subsidiaries have additional key performance indicators specific to their operations and the industry in which they operate. Sales and orders are also monitored against budget on a weekly basis by the executive management team. These are discussed more fully in the Chairman's Statement on page 1, Strategic Report by division on pages 4 to 11, notes 3 and 29 to the financial statements, and below. The Directors consider this fulfils the statutory requirements of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The reviews are addressed solely to shareholders and their purpose is to provide a review of the business and to explain the principal risks and uncertainties facing the Group, as well as those financial and non-financial KPIs that the Directors consider relevant.

The Annual Report contains certain forward-looking statements with regard to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results to differ from those anticipated. Nothing contained in this Annual Report should be construed as a profit forecast.

Results and dividends
Revenue amounted to £36,021,000 (2013: £38,379,000). Profit before taxation was £1,179,000 (2013: £744,000).

The Directors have proposed a final ordinary dividend in respect of the current financial year of 4.0 pence per share (2013: 2.5 pence). This has not been included as an obligation as it was not approved before the year end.

Dividends paid during the year comprise a dividend of 1.5 pence per share in respect of the previous year, together with an interim dividend in respect of the year ended 31st December 2014 of 2.0 pence per share.

Research
Expenditure on research is written off to the income statement in the period in which it is incurred.

Creditor payment policy
The Company agrees the terms and conditions under which transactions with our suppliers are conducted. It is Company policy that payments are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions. This policy continues to be applied.

At the year end, there was 1 day (31st December 2013: 1 day) of purchases in trade payables within the Company.

Directors
The names of the Directors of the Company, including those who act in a non-executive capacity, appear on page 51. All the Directors served for the whole year, with the exception of CT Varley who was appointed on 1st January 2015.

Brief biographical details of the Chairman and the Directors are as follows:

ARB Burrows (age 76) is an industrialist. He is a Director of Le Bas Limited and IS&G (Holdings) Limited.

CA Parker (age 53) is a Chartered Accountant. He joined Tex in 1992 having previously worked for Ernst & Young.

D Redhead (age 68) is Chairman of the Engineering Division. He retired as Managing Director of BSP International Foundations in June 2013, following 40 years' service with the Company. He is International Trade Ambassador for the Construction Equipment Trade Association and sits on the Engineering Employers Federation (EEF) Council, having been past president of the EEF East Anglian branch. He is a Governor of Easton & Otley College.

CD Palmer-Tomkinson (age 73) graduated from Oxford University with a degree in Jurisprudence. He was a partner in Cazenove & Co. He is Chairman of Chaarat Gold Holdings Limited and a Director of Goodenough College.

CT Varley (age 66) retired as Managing Director of Tex Plastics Division in December 2014, having served the Group for nearly 30 years.

D Redhead, CT Varley and CD Palmer-Tomkinson serve on the Board as independent Non-Executive Directors. CD Palmer-Tomkinson acts as the senior independent Non-Executive Director.

D Redhead retires by rotation and, being eligible, offers himself for re-election as a Director.

Certain Directors benefited from qualifying third party indemnity provisions in place during the year and at the date of this report.

Directors' share interests

	Ordinary shares	
	31/12/14	31/12/13
ARB Burrows	**–**	–
CD Palmer-Tomkinson	**28,000**	28,000
CA Parker	**100**	100
D Redhead	**3,000**	3,000

There were no changes in Directors' interests between 31st December 2014 and the date of this report.

The market price of the Company's shares at 31st December 2014 was 92.5 pence and the range during the year was 70.5 pence to 99.5 pence.

Disabled employees
The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement
During the year, the policy of providing employees with information about the Group has continued. Employees have also been encouraged to present their suggestions and views.

Environment
The Group aims to operate, in general, to standards as high, or higher, than those required by law, codes of practice and issued guidelines. In general, it seeks to avoid any adverse effect on the environment by its activities. The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has introduced a new requirement for the Directors' Report to state the annual quantity of emissions in tonnes of carbon dioxide equivalent from activities for which the Group is responsible.

The Directors do not consider it practical to obtain the information in question. The Group takes a responsible "whole life" view of its carbon footprint and a strategic approach to utilising its assets effectively and managing energy costs.

Financial instruments
The Group's financial instruments comprise short-term debtors and creditors, borrowings, cash and obligations under finance lease and hire purchase contracts, all of which are denominated in Pound Sterling. The main purpose of these financial instruments is to manage the Group's working capital.

The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing both of these risks and they are summarised below. These policies have remained unchanged since 1st January 2005.

Interest rate risk
The Group finances its operations through a mixture of retained profits and bank borrowings. The Group's borrowings consist of variable rate overdraft facilities, finance lease/HP arrangements and fixed rate term loans (as disclosed in note 21).

The interest rates charged are reviewed and re-negotiated on a regular basis.

Liquidity risk
The repayment terms of the fixed rate loans have been structured to be serviced from cash generated by operating activities. Short-term flexibility is achieved through overdraft facilities.

Directors' Report continued

for the year ended 31st December 2014

Political and charitable contributions

The Group made no political contributions during the year. Donations by the Group to UK charities amounted to £921 (31st December 2013: £1,231), none of which were individually over £200. All donations were made by the Company.

Corporate Governance

The Company's Corporate Governance report follows and forms part of the Directors' Report. In addition, information required by DTR 7.2.1R and DTR 7.2.7R is set out on the Group's website.

Throughout the year to 31st December 2014, the Company complied with the provisions of the UK Corporate Governance Code ("UKCGC" and "the Code") issued by the Financial Reporting Council in September 2012, except as discussed below.

Substantial holdings

Notification has been received that, as at 11th March 2015, the latest practicable date prior to signing the financial statements, the following shareholders have an interest of more than 3.0% in the issued share capital of the Company:

Shareholder	No. of shares held	%
Edward Le Bas Limited	1,180,789	18.59
Le Bas Investment Trust Limited	812,028	12.78
W B Nominees Limited A/C ISA Max	471,317	7.42
Rock (Nominees) Limited A/C ISA	443,965	6.99
Redmayne (Nominees) Limited	385,000	6.06
Pershing Keen Nominees Limited	269,500	4.24
W B Nominees Limited	254,621	4.01
Atlantis Vest	200,000	3.15

The statements hereunder set out how the principles are applied to the Group.

a) Leadership

Details of the Directors are on page 12. The posts of Chairman and Executive Director during 2014 were held by ARB Burrows and CA Parker respectively. CD Palmer-Tomkinson acted as senior Non-Executive Director during the year.

Of the Non-Executive Directors, CD Palmer-Tomkinson and D Redhead qualify as independent within the definition of Provision B.1.1. The Board considers D Redhead independent, notwithstanding the fact that he had been an employee of the Group within the last five years as a director of a subsidiary company, as he resigned from that directorship on joining the Company's Board. ARB Burrows fulfils the role of Chairman and therefore he does not qualify as independent within the definition of Provision B.1.1. However, the Board has considered the independence of this Director with care. He contributes significantly through his skill and knowledge of the Company, provides continuity and balance to the Board and continues to demonstrate a strong independence of management in the manner in which he discharges his responsibilities as Director.

The membership of the Committees of the Board and attendance at meetings for the year under review are set out in the table below:

	Board	Remuneration Committee	Audit Committee
Total meetings	11	1	2
ARB Burrows	9	1	1
CD Palmer-Tomkinson	7	1	2
CA Parker	11	N/A	N/A
D Redhead	10	1	N/A

b) Effectiveness

The Board meets a minimum of four times a year. It is the Board's duty to lead and control the Group. A schedule of matters specifically reserved for the Board's decision exists and matters for their consideration include, but are not restricted to, operational and financial performance and capital expenditure.

The Board is structured so that all Directors have input to provide a balance to the decision making process. Any training that individual Directors feel is necessary in fulfilling their duties is available. All Directors are given internal training in the operations of the Company and other training as necessary. All Directors have access to the services of the Company Secretary and independent advice at the Company's expense if they feel it is necessary.

Hitherto, there has been no formal process covering induction, training, development and performance evaluation of the Board as required by Provisions B.4. and B.6. However, this matter is considered on an informal basis by the Board.

Given the size and nature of the business, the Board has no formal policy on diversity, including gender, and appointments to the Board are made on merit.

The Company does not have a Nomination Committee as the Board consists of only four Directors. The Board therefore fulfils the role of the Nomination Committee and therefore the Company has not complied with Provision B.2.1 during the year.

Formal terms of appointment have not been issued to the Non-Executive Directors but they will be eligible for re-election at intervals of no more than three years and due consideration will be given on an annual basis as to the need for each Director to stand for re-election. No Executive Director has a contract of service for more than one year's duration.

c) Accountability

The Directors acknowledge that they are ultimately responsible for the Group's Annual Report and financial statements, as well as the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Directors complete the Annual Report and financial statements, taken on a whole, as fair, balanced, understandable and providing the information necessary for shareholders to assess performance, business model and strategy.

Audit Committee and auditors

The Board has established an Audit Committee consisting of the senior independent Non-Executive Director and the Chairman, who have direct access to the Group's auditors. While the Board considers that the Audit Committee collectively has the skills and experience required to discharge its duties, the Board has determined that no single member fully meets the requirements of the UKCGC (provision C.3.1) in respect of "recent and relevant financial experience".

The duties of the Audit Committee include the monitoring of the integrity of the financial statements and formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements, reviewing the need for an internal audit function, reviewing the process around appointment and remuneration of the external auditor, the consideration and scope of the audit and matters arising from the audit and the review of internal control procedures. In addition, the Audit Committee considers the independence and objectivity of the auditors. The Committee met formally twice during the year. Regular informal meetings occurred during the year.

During the year ended 31st December 2014, the Audit Committee discharged its responsibilities as detailed within the following paragraphs and by these specific actions:

- reviewing the Consolidated draft financial statements and interim results statement prior to Board approval;
- reviewing the appropriateness of the Group's accounting policies; and
- reviewing the matters arising from the audit.

Members of the Audit Committee maintain regular dialogue with the auditors and monitor regularly the non-audit services being provided to the Group by its external auditors to ensure that this does not impair their independence or objectivity.

The Audit Committee also monitors the Group's whistle-blowing procedures, ensuring that there are appropriate arrangements in place for employees to be able to raise matters of possible impropriety in confidence, with suitable subsequent follow-up action.

The Group does not have an internal audit function. However, the Audit Committee periodically reviews the need for such a function (Provision C.3.6). The current conclusion of the Audit Committee is that this is not necessary given the straightforward nature of the Group's activities.

There is an ongoing process, by way of management reports and regular involvement of the Executive Director and Chairman in the Group's operations, for identifying, evaluating and managing the significant risks faced by the Group, that has been in place throughout the year and remains in place at the date the financial statements were signed. This process is subject to review by the Board and accords with the Turnbull Guidance.

The Directors believe that the provisions of Section C3 of the Code relating to Audit Committee and auditors have been met throughout the year.

Directors' Report continued

for the year ended 31st December 2014

Risk management and internal control

The Board encourages a culture of integrity and quality and is committed to maintaining the highest standards across all of its operations. The Group has defined organisational structures with clear lines of accountability and delegation of authority. There are also supporting Group policies and employee procedures for the reporting and resolution of suspected fraudulent activities. The Group has appointed external consultants to assist in the review of procedures and documentation in the field of health and safety and employment law, which are seen as potential risk areas. The procedures are monitored on an ongoing basis.

Divisional management are responsible for identifying the risks facing their operations, for initiating appropriate control procedures and for reporting any control issues and remedial action as and when they arise. These risks are assessed and monitored closely by the Board on a quarterly basis using management information.

The Group goes through a detailed annual budgeting process with a Group budget being approved by the Board. Performance against budget is actively monitored at Board and Divisional level and supported by re-forecasts. Monthly management information compiled from all the Group's operations, incorporating KPIs and review of operations is considered, and performance reviewed against budget, with variances closely monitored and investigated by management.

More frequent regular reporting is focused on key areas including daily cash flow and weekly sales and orders reporting.

Through these mechanisms Group performance is continually monitored, risks identified in a timely manner, their financial implications assessed, control procedures re-evaluated and corrective actions agreed and implemented.

Internal control procedures exist throughout the Group's operations to safeguard the assets from loss or misuse and to ensure that financial records are reliable. There are clear divisions of responsibility amongst employees and appropriate authorisation limits regarding transactions.

Compliance with controls is continuously monitored by management, including close involvement by the Board. The Executive Director is ultimately responsible for monitoring the system of internal controls. The Board formally reviews the effectiveness of the Group's system of internal controls on a regular basis, by way of management reports and regular involvement of the Executive Director and the Chairman in the Group's operations. Provision C.2.1 requires the Board should at least annually conduct a review of the Group's system of internal controls. The formal presentation of the control review occurs at the Board meeting to approve the annual budget.

d) Remuneration

The Directors' Remuneration Committee continued to operate throughout the period and formally met once.

The Company's remuneration policy is set by the Board after considering the suggested framework put forward by the Remuneration Committee. Individual remuneration packages are determined by the Committee within this framework. Details are set out in the Directors' Remuneration Report on page 18.

Provision D.2.1 requires that the Remuneration Committee should exclusively consist of independent Non-Executive Directors. The Company has not complied with this provision as ARB Burrows cannot be considered independent as a result of his substantial indirect interest in the Company, and given his role as Chairman. The Company considers that the Remuneration Committee benefits from the additional input by the Chairman.

e) Relations with shareholders

The Company considers its relationship with both institutional and private investors to be important and readily enters into dialogue with investors, both throughout the year and at the Annual General Meeting.

f) Going concern

In arriving at their decision to prepare the financial statements on a going concern basis, the Directors have reviewed the Group budget for 2015 and its plans for the medium term. This included consideration of the cash flow implications of the budget including proposed capital expenditure and the Group's committed and expected borrowing facilities. This has been prepared in accordance with Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009, published by the Financial Reporting Council.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and 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 they are required to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the Consolidated and Company financial statements on the same basis. 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 of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper 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 enable them to ensure that the Annual Report and financial statements comply with the Companies Act 2006 and Article 4 of the IAS regulation. 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 Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on page 51 confirm that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group and Company;
- the Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal risks and uncertainties that they face; and
- The Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and Group's performance, business model and strategy.

Audit information

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are individually unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution for the re-appointment of Larking Gowen Limited as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the Company is to be held at Tex Holdings plc, Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL on 22nd June 2015 at 12.15pm. The Notice of Meeting is set out on page 50.

By order of the Board

CA Parker
Secretary
17th April 2015

Directors' Remuneration Report

for the year ended 31st December 2014

The following report sets out information relating to Directors' remuneration. Of this information, only Directors' remuneration, pension benefits and share option information are subject to audit.

Remuneration Committee

The Company's Remuneration Committee consists of ARB Burrows, CD Palmer-Tomkinson and D Redhead.

ARB Burrows cannot be considered independent as a result of his substantial indirect interest in the Company, and given his role as Chairman. The Company considers that the Remuneration Committee benefits from the additional input by the Chairman.

The remuneration policy is set by the Board and is described below. Individual remuneration packages are determined by the Remuneration Committee within the framework of this policy.

Policy

The policy of the Committee is to review the Executive Director's remuneration package for forthcoming years such that the structure will retain and motivate the Executive Director. Of the remuneration package, bonuses are performance related. Bonuses are based on the achievement of specific criteria and Group return on capital employed. They are paid in cash and the Remuneration Committee has overriding discretion in determining the payment of bonuses.

Service contract

The Company has service contracts with its Directors. It is Company policy that such contracts should contain notice periods of not more than 12 months. Provision for loss of office is not included within the contracts. Details of the contract currently in place for the Executive Director who served during the period are as follows:

CA Parker's service contract dated 19th March 2013 provides for a rolling 12 month notice period.

Pension scheme

The Group operates a defined contribution pension scheme. The Company has made contributions of £5,625 (31st December 2013: £5,250) to the Executive Director's money purchase scheme.

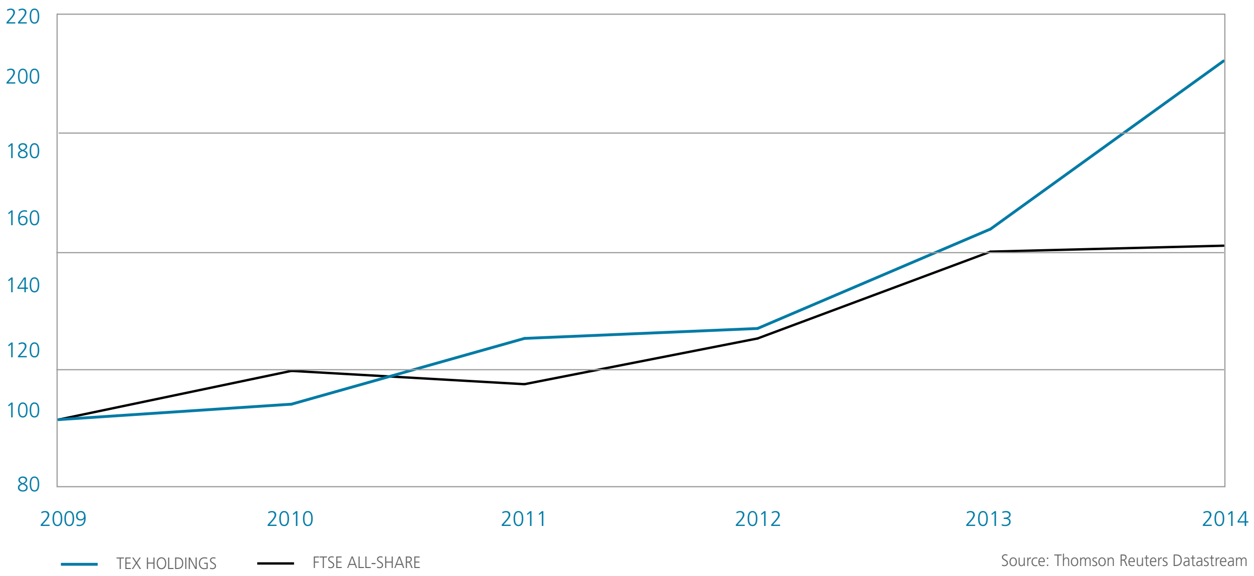
Directors' remuneration

	ARB Burrows		CD Palmer-Tomkinson		D Redhead		CA Parker		MJ Cadbury	
	Year ended 31/12/14 £	Year ended 31/12/13 £	**Year ended 31/12/14 £**	Year ended 31/12/13 £	**Year ended 31/12/14 £**	Year ended 31/12/13 £	**Year ended 31/12/14 £**	Year ended 31/12/13 £	**Year ended 31/12/14 £**	Year ended 31/12/13 £
Salary/fees	**–**	–	**18,720**	18,720	**40,000**	–	**93,739**	91,550	**–**	18,000
Bonus	**–**	–	**–**	–	**12,768**	–	**12,429**	–	**–**	–
Other benefits	**–**	–	**–**	–	**1,337**	–	**3,508**	4,398	**–**	–
Healthcare	**4,364**	4,523	**–**	–	**3,935**	–	**1,519**	1,552	**–**	–
	4,364	4,523	**18,720**	18,720	**58,040**	–	**111,195**	97,500	**–**	18,000

Share options

No options were granted to any Directors or employees during the year.

Performance graph



The index selected was FTSE All-Share as it was considered to be the most appropriate comparison for the Tex Holdings plc Group performance, as the Group operations cover a range of industries.

Approved by the Board

ARB Burrows
Director
17th April 2015

Independent Auditors' Report to the Members of Tex Holdings plc

We have audited the Group and Parent Company financial statements (the "financial statements") of Tex Holdings plc for the year ended 31st December 2014, which comprise the Consolidated Income Statement; the Consolidated Statement of Comprehensive Income; the Consolidated and Parent Company Balance Sheets; the Consolidated and Parent Company Statements of Changes in Equity; the Consolidated and Parent Company Cash Flow Statements and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 17, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and Parent Company's affairs as at 31st December 2014, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland) we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required 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 and the part of the Directors' Remuneration Report to be audited 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 of the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' Statement set out on page 16, in relation to going concern; and
- the part of the Corporate Governance statement commencing on page 14 relating to the Parent Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on Directors' remuneration.

We have nothing to report having performed these reviews.

Going concern

As required by the Listing Rules we have reviewed the Directors' statement on page 16 that the Group is a going concern. We confirm that:

- we have not identified material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern which we believe would need to be disclosed in accordance with IFRSs as adopted by the European Union; and
- we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Our assessment of risks of material misstatement

We identified the following risks as being those which had the most significant impact on our overall audit strategy and set out below how each of these was addressed by the scope of our audit.

- Management override: Management is in a position of authority that means they can override internal controls established to prevent fraud or error.

  We carried out testing on journal entries and other adjustments, performed an overall review of the accounting estimates and assessed the rationale for any transactions that appeared to be unusual.

- Revenue recognition: To ensure the completeness and cut-off of the income for the year.

  We performed tests to assess cut-off of income at the year end. We tested completeness of the income received during the year through a combination of tests of controls on the recording of income, analytical review on the individual income streams and detailed tests on the accounting records and source documents.

- Inventory valuation: The valuation of inventories, and in particular the determination of provisions against obsolete, slow moving and defective lines.

  We performed tests to assess whether inventories were valued correctly at the lower of cost or net realisable value and to test for obsolescence.

- Going concern: The Group has significant bank borrowings and covenants and a going concern review was conducted.

  We reviewed and assessed the Group's budget for 2015. We have sought assurance regarding the continuance of sufficient borrowing facilities and assessed sufficiency of funding across the Group. We also reviewed compliance with lending covenants during the year.

Independent Auditors' Report to the Members of Tex Holdings plc continued

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in the financial statements as a whole. For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person relying on the financial statements would be changed or influenced.

When establishing our overall audit strategy we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We determined planning materiality for the Group to be £365,500 which is approximately 1% of turnover. This was not changed during the course of our audit.

We agreed with the Audit Committee that we would report to them all audit differences below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The Group is structured along three business lines being: Engineering Division, Plastics Division and Boards & Panels Division. The Group's trade is conducted through subsidiary entities controlled by the Group. The Group's financial statements represent a consolidation of each of the subsidiary entities.

All of the subsidiary entities have been subject to audit procedures; we also performed work on the consolidation of the subsidiary entities. This gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Luke Morris FCA (Senior Statutory Auditor)
for and on behalf of Larking Gowen Limited
Chartered Accountants and Statutory Auditors
Ipswich

21st April 2015

Consolidated Income Statement

for the year ended 31st December 2014

	Notes	**Year ended 31/12/14 £000**	Year ended 31/12/13 £000
Revenue	2	**36,021**	38,379
Cost of sales		**(25,797)**	(29,256)
Gross profit		**10,224**	9,123
Selling and marketing costs		**(912)**	(905)
Administrative expenses	7	**(7,942)**	(7,214)
Operating profit	2-6	**1,370**	1,004
Finance costs	8	**(191)**	(260)
Profit before taxation		**1,179**	744
Taxation	9	**(312)**	(164)
Profit for the year attributable to the equity holders of the Parent Company		**867**	580
Earnings per share			
Basic and diluted	11	**13.7p**	9.1p

Consolidated Statement of Comprehensive Income

for the year ended 31st December 2014

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Profit for the year attributable to the equity holders of the Parent Company	**867**	580
Other comprehensive income/(expense)		
Items that may subsequently be reclassified to profit or loss:		
Change in value of available-for-sale financial assets	**12**	(37)
Items that will not subsequently be reclassified to profit or loss:		
Actuarial (loss)/gain on defined benefit pension plans	**(1,263)**	2,313
Taxation recognised on expenses and income recognised directly in equity	**191**	(537)
	(1,072)	1,776
Other comprehensive (expense)/income for the year	**(1,060)**	1,739
Total comprehensive (expenses)/income for the year attributable to the equity holders of the Parent Company	**(193)**	2,319

Balance Sheets
at 31st December 2014

	Notes	Consolidated 31/12/14 £000	Consolidated 31/12/13 £000	Company 31/12/14 £000	Company 31/12/13 £000
Assets					
Non-current assets					
Property, plant and equipment	12	**5,448**	6,058	**6**	8
Investments	13	**–**	–	**13,001**	14,073
Deferred taxation assets	14	**423**	353	**619**	427
		5,871	6,411	**13,626**	14,508
Current assets					
Inventories	15	**5,879**	6,128	**–**	–
Trade and other receivables	16	**9,762**	10,059	**178**	412
Available-for-sale financial assets	17	**–**	253	**–**	253
Cash and cash equivalents	18	**358**	–	**–**	–
		15,999	16,440	**178**	665
Total assets		**21,870**	22,851	**13,804**	15,173
Equity					
Capital and reserves attributable to the equity holders of the Parent Company					
Share capital	20	**635**	635	**635**	635
Other reserves		**2,906**	2,906	**3,883**	3,883
Retained earnings		**5,189**	5,668	**5,290**	5,423
Total equity		**8,730**	9,209	**9,808**	9,941
Liabilities					
Non-current liabilities					
Other interest-bearing loans and borrowings	21	**1,676**	2,332	**582**	1,016
Employee benefits	27	**2,591**	1,370	**2,591**	1,370
		4,267	3,702	**3,173**	2,386
Current liabilities					
Bank overdraft	18	**–**	1,106	**264**	2,101
Other interest-bearing loans and borrowings	21	**722**	713	**432**	432
Trade and other payables	22	**7,880**	7,580	**115**	154
Provisions for other liabilities and charges	23	**100**	270	**–**	–
Taxation payable		**171**	271	**12**	159
		8,873	9,940	**823**	2,846
Total liabilities		**13,140**	13,642	**3,996**	5,232
Total equity and liabilities		**21,870**	22,851	**13,804**	15,173

These financial statements were approved and authorised for issue by the Board of Directors on 17th April 2015 and were signed on its behalf by:

ARB Burrows
Director

CA Parker
Director

Registered number: 00405838

Statements of Changes in Equity
at 31st December 2014

Consolidated	Share capital £000	Capital reserve £000	Share premium account £000	Retained earnings £000	Total £000
Balance at 1st January 2013	635	16	2,890	3,635	7,176
Profit for the year	–	–	–	580	580
Change in value of available–for–sale financial assets	–	–	–	(37)	(37)
Pension fund actuarial movement net of taxation	–	–	–	1,776	1,776
Dividends paid	–	–	–	(286)	(286)
Balance at 1st January 2014	635	16	2,890	5,668	9,209
Profit for the year	–	–	–	867	867
Change in value of available–for–sale financial assets	–	–	–	12	12
Pension fund actuarial movement net of taxation	–	–	–	(1,072)	(1,072)
Dividends paid	–	–	–	(286)	(286)
Balance at 31st December 2014	**635**	**16**	**2,890**	**5,189**	**8,730**

The aggregate current and deferred taxation relating to items that are charged or credited to equity is £191,000 (2013: £537,000).

All the amounts are attributable to the equity holders of the Parent Company.

Company	Share capital £000	Capital reserve £000	Share premium account £000	Retained earnings £000	Total £000
Balance at 1st January 2013	635	993	2,890	3,647	8,165
Profit for the year	–	–	–	323	323
Change in value of available-for-sale financial assets	–	–	–	(37)	(37)
Pension fund actuarial movement net of taxation	–	–	–	1,776	1,776
Dividends paid	–	–	–	(286)	(286)
Balance at 1st January 2014	635	993	2,890	5,423	9,941
Profit for the year	–	–	–	1,213	1,213
Change in value of available-for-sale financial assets	–	–	–	12	12
Pension fund actuarial movement net of taxation	–	–	–	(1,072)	(1,072)
Dividends paid	–	–	–	(286)	(286)
Balance at 31st December 2014	**635**	**993**	**2,890**	**5,290**	**9,808**

The aggregate current and deferred taxation relating to items that are charged or credited to equity is £191,000 (2013: £537,000).

Cash Flow Statements

for the year ended 31st December 2014

	Notes	Consolidated Year ended 31/12/14 £000	Consolidated Year ended 31/12/13 £000	Company Year ended 31/12/14 £000	Company Year ended 31/12/13 £000
Cash flows from operating activities					
Profit for the year		**867**	580	**1,213**	323
Adjustments for:					
Dividends received		**–**	–	**(1,500)**	(281)
Depreciation		**1,094**	1,141	**4**	4
Profit on sale of fixed assets		**(1)**	–	**–**	–
Investment impairment		**–**	–	**750**	796
Financial expense		**191**	260	**130**	198
Taxation		**312**	164	**166**	151
		2,463	2,145	**763**	1,191
Decrease/(increase) in trade and other receivables		**297**	1,146	**234**	(178)
Decrease in inventories		**249**	168	**–**	–
Increase/(decrease) in trade and other payables		**300**	(353)	**(39)**	(76)
Decrease in provisions		**(170)**	(203)	**–**	(413)
Decrease in employee benefits		**(100)**	(100)	**(100)**	(100)
Cash generated from operations		**3,039**	2,803	**858**	424
Taxation paid		**(291)**	(157)	**(315)**	(58)
Net cash generated from operating activities		**2,748**	2,646	**543**	366
Cash flows from investing activities					
Purchases of property, plant and equipment		**(859)**	(1,494)	**(1)**	(5)
Proceeds from sale of property, plant and equipment		**376**	59	**–**	–
Dividends received		**–**	–	**1,500**	281
Movement on loans to subsidiaries		**–**	–	**322**	293
Available-for-sale financial assets		**265**	205	**265**	205
Net cash used in investing activities		**(218)**	(1,230)	**2,086**	774
Cash flows from financing activities					
New borrowings		**147**	226	**–**	–
Repayments of borrowings		**(432)**	(432)	**(434)**	(432)
Finance lease payments		**(362)**	(392)	**–**	–
Interest paid		**(133)**	(113)	**(72)**	(51)
Dividends paid		**(286)**	(286)	**(286)**	(286)
Net cash used in financing activities		**(1,066)**	(997)	**(792)**	(769)
Net increase in cash and cash equivalents		**1,464**	419	**1,837**	371
Cash and cash equivalents at beginning of the year		**(1,106)**	(1,525)	**(2,101)**	(2,472)
Cash and cash equivalents at end of the year	18	**358**	(1,106)	**(264)**	(2,101)

Notes to the Consolidated Financial Statements

for the year ended 31st December 2014

1. Accounting policies

Tex Holdings plc (the "Company" or the "Parent") is a company incorporated in the UK.

These financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Parent Company financial statements present information about the Company as a separate entity.

Both the Parent Company and Consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). On publishing the Parent Company financial statements here together with the Consolidated financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and statement of comprehensive income and related notes.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with Adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgements and estimates

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 1 – Measurement of the recoverable amounts of cash-generating units (CGUs) containing goodwill
Note 15 – Provision of obsolete inventory
Note 16 – Impairment of trade receivables
Note 27 – Retirement benefit plans

With the exception of the revision to IAS 19, there have been no new standards in the year which impact the Group. Furthermore there are no relevant new amendments to existing standards or interpretations, which came into force for the current year which would have a material impact on the Group's results, assets and liabilities.

The following new standards and amendments to existing standards have been published and are effective for accounting periods commencing on or after 1st January 2014:

- Amendments to IFRS 10 – Consolidated financial statements;
- Amendments to IFRS 12 – Disclosures of interest in other entities;
- Amendments to IAS 27 – Investment Entities;
- Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities;
- Amendments to IAS 36 – Recoverable Amount Disclosures for Non–Financial Assets;
- Amendments to IAS 39 – Novation of Derivatives and Continuation of Hedge Accounting; and
- IFRIC 21 – Levies.

Measurement convention

The financial statements are prepared on the historical cost basis.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and
(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments, or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Intra-group financial instruments

Where the Company enters into financial contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

Certain items of property, plant and equipment that had been revalued to fair value prior to 1st April 2004, the date of transition to Adopted IFRSs, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under finance leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

1. Accounting policies continued

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

- buildings 50 years
- plant and machinery 5 to 15 years
- motor vehicles 4 years
- fixtures and fittings 2 to 10 years

Depreciation methods, useful lives and residual values are re-assessed at least annually.

Intangible assets and goodwill

Goodwill represents the excess of the cost of the acquisition of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Impairment

The carrying amounts of the Group's assets, other than inventories and deferred taxation assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Calculation of recoverable amount

The recoverable amount of the Group's receivables are carried at amortised cost which is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist or has decreased, as a result of a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Research expenditure

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Trade and other receivables

Trade and other receivables are stated initially at fair value, then subsequently at amortised cost less impairment losses.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete or slow-moving items where appropriate.

Investments

Fixed asset investments are shown at cost less provision for impairment and less any dividends out of pre-acquisition reserves.

Trade and other payables

Trade and other payables are stated initially at fair value, then subsequently at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Defined benefit plans

The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and any unrecognised past service costs, and the fair value of any plan assets is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

In respect of actuarial gains and losses that arise, the Group recognises them in the period they occur directly into equity.

Where the calculation results in a benefit to the Group, the asset recognised is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Related deferred taxation is netted against other deferred taxation assets.

The Group operates a Group-wide defined benefit pension plan. As there is no contractual agreement or stated Group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is Tex Holdings plc.

Revenue

Revenue is measured at the value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Sales of goods are recognised when goods are delivered or title has transferred to the buyer.

Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Revenue is calculated as that proportion of total contract value, which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Net financing costs

Net financing costs comprise interest payable and finance leases and interest receivable on funds invested that are recognised in the income statement.

Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method.

Segment Reporting

A segment is a distinguishable component of the Group that is engaged in providing different products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Dividends

Dividends are recognised as a liability only in the period in which they are approved.

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

1. Accounting policies continued

Taxation

Taxation on the profit or loss for the year comprises current and deferred taxation. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current taxation is the expected taxation payable on the taxable income for the year, using taxation rates enacted or substantively enacted at the balance sheet date, and any adjustment to taxation payable in respect of previous years.

Deferred taxation is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using taxation rates enacted or substantively enacted at the balance sheet date.

A deferred taxation asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Derivative financial instruments

Derivative financial instruments are recognised at fair value, with any gain or loss arising from re-measurement of the fair value being recognised in the profit and loss account.

Financial assets

Classification

The Group classifies its financial assets as available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition

Regular purchases and sales of financial assets are recognised on the trade dates. The trade date is the date which the Group commits to the purchase or sale of the asset. Investments are initially recognised at fair value plus transaction cost. Financial assets are derecognised when the rights to receive cash flows from the investments have expired, or the Group has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets are carried at fair value.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income.

Impairment of financial assets

The Group assesses at the end of each reporting period, whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security, below its cost, is evidence that the assets are impaired. If such evidence exists, the cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases, and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2. Revenue

An analysis of the Group's revenue for the year is as follows:

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Plastics	**21,208**	22,809
Engineering	**10,965**	11,993
Boards & Panels	**3,848**	3,577
	36,021	38,379

3. Business and geographical segments

For management purposes, the Group is currently organised into three divisions – Engineering, Plastics and Boards & Panels. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Engineering – Design and manufacture of a proprietary range of piling and dynamic compaction equipment for the ground engineering sector, manufacture and sale of Trojan Asphalt Mixers, road surfacing and associated equipment and spares, Mobility Scooter Stores, Allied Kiosks and Enclosures, Industrial Gas Burners, Springwood white lining equipment, trailers, marketing, and distribution of Fibertex Geotextiles, Marine diesel engine and governor rebuilding, parts supply and technical support, and design, manufacture and installation of air traffic control rooms and Radio Frequency–blocking glazing and design.

Plastics – Precision injection moulding, assembly and finishing services.

Boards & Panels – Manufacture and sale of boards and panels.

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

2014	**Plastics £000**	**Engineering £000**	**Boards & Panels £000**	**Total for continuing operations £000**
Revenue				
External sales	**21,208**	**10,965**	**3,848**	**36,021**
Inter-segment sales	**–**	**–**	**–**	**–**
Total revenue from continuing operations	**21,208**	**10,965**	**3,848**	**36,021**
Result				
Segment result from continuing operations	**1,465**	**(49)**	**153**	**1,569**
Expenses pertaining to the Company				**(199)**
Operating profit				**1,370**
Finance costs				**(191)**
Profit before taxation				**1,179**
Taxation				**(312)**
Profit for the year from continuing operations				**867**

Other information

2014	**Plastics £000**	**Engineering £000**	**Boards & Panels £000**	**Company £000**	**Total for continuing operations £000**
Capital additions	**296**	**201**	**360**	**1**	**858**
Depreciation	**571**	**283**	**191**	**49**	**1,094**

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

3. Business and geographical segments continued

Balance Sheet 31st December 2014

	Plastics £000	Engineering £000	Boards & Panels £000	Company £000	Total for continuing operations £000
Assets					
Segment assets	**12,206**	**6,830**	**2,512**	**322**	**21,870**
Liabilities					
Segment liabilities	**10,934**	**9,777**	**2,703**	**(10,274)**	**13,140**

2013	Plastics £000	Engineering £000	Boards & Panels £000	Total for continuing operations £000
Revenue				
External sales	22,809	11,993	3,577	38,379
Inter-segment sales	–	–	–	–
Total revenue from continuing operations	22,809	11,993	3,577	38,379
Result				
Segment result from continuing operations	1,125	(559)	162	728
Expenses pertaining to the Company				276
Operating profit				1,004
Finance costs				(260)
Profit before taxation				744
Taxation				(164)
Profit for the year from continuing operations				580

Other information

2013	Plastics £000	Engineering £000	Boards & Panels £000	Company £000	Total for continuing operations £000
Capital additions	621	846	21	6	1,494
Depreciation	758	209	170	4	1,141

Balance Sheet 31st December 2013

	Plastics £000	Engineering £000	Boards & Panels £000	Company £000	Total for continuing operations £000
Assets					
Segment assets	12,423	8,094	2,393	(59)	22,851
Liabilities					
Segment liabilities	11,399	9,421	2,589	(9,927)	13,482

Geographical segments

The Group's operations are located in the United Kingdom.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin on the goods/services.

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Eurozone	**1,708**	3,064
UK	**28,956**	30,517
US	**1,523**	2,880
Other countries	**3,834**	1,918
	36,021	38,379

All the Group's assets are located in the United Kingdom.

4. Expenses and auditors' remuneration

Included in the profit or loss are the following:

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Research expensed as incurred included in administrative expenses	**258**	296
Exchange (gain)/loss included in administrative expenses	**(23)**	(159)
Audit of Parent Company and Consolidated financial statements	**5**	5
Audit of financial statements of subsidiaries	**41**	41
Amounts receivable by auditors and their associates in respect of:		
– Other services relating to taxation	**5**	5
– Audit of the Group pension scheme	**3**	3
Hire of plant and machinery – rentals payable under operating leases	**80**	73
Hire of other assets – operating leases	**425**	412

5. Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Group		Company	
	Year ended 31/12/14	Year ended 31/12/13	Year ended 31/12/14	Year ended 31/12/13
Administration	**84**	85	**9**	8
Manufacturing	**371**	331	**–**	–
	455	416	**9**	8

The aggregate payroll costs of these persons were as follows:

	Group		Company	
	Year ended 31/12/14 £000	Year ended 31/12/13 £000	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Wages and salaries	**9,001**	9,004	**410**	270
Social security costs	**749**	760	**28**	27
Other pension costs	**284**	243	**95**	100
	10,034	10,007	**533**	397

Employee numbers by gender at 31st December 2014

	Group		Company	
	Male	Female	Male	Female
Directors	20	1	5	–
Senior managers	22	5	–	2
Other	298	77	–	2
	340	83	5	4

6. Directors' emoluments

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Directors' emoluments	**192**	158
Company contributions to money purchase pension plans	**6**	5
	198	163

The aggregate of emoluments of the highest paid Director was £111,195 (2013: £97,500), and company pension contributions of £5,625 (2013: £5,250) were made to a money purchase scheme on his behalf.

Retirement benefits are accruing to the following number of Directors under:

	Year ended 31/12/14	Year ended 31/12/13
Money purchase schemes	**1**	1

All the Directors benefit from Directors' and Officers' third party insurance cover.

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

7. Administrative expenses

On 29th May 2014 the Company's independent directors announced that they had reached an agreement with the board of Le Bas Investment Trust, a related party, on the terms of a recommended cash offer, by which the entire issued and to be issued share capital of the company not already owned by Le Bas Investment Trust would be acquired by Le Bas Investment Trust. The offer was effected by way of a Scheme of Arrangement between the Company and scheme shareholders in accordance with Part 26 of the Companies Act. The offer was not approved by scheme shareholders. Costs of £180,000 were incurred by the Company in respect of this process and have been included as part of administrative expenses.

8. Finance expenses

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Interest on bank overdrafts and loans	**73**	51
Interest on pension scheme deficit	**58**	147
Interest on obligations under finance leases	**60**	62
Finance expense	**191**	260

Further details of the interest on the pension scheme deficit are disclosed in note 27.

9. Taxation

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Current taxation		
Current year	**299**	255
Adjustments for prior year	**(126)**	(52)
	173	203
Deferred taxation		
Origination and reversal of temporary differences	**31**	(59)
Adjustments for prior years	**108**	20
	139	(39)
Total taxation in income statement	**312**	164

Domestic income taxation is calculated at 21.50% (2013: 23.25%) of the estimated assessable profit for the year.

The total charge for the year can be reconciled to the accounting profit as follows:

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Profit before taxation	**1,179**	744
Taxation at the domestic income taxation rate of 21.50% (2013: 23.25%)	**254**	172
Non-deductible expenses	**43**	31
Capital allowances in excess of depreciation	**(1)**	50
Other	**3**	2
Adjustments for prior years	**(126)**	(52)
Taxation expense and effective taxation rate for the year	**173**	203

In addition to the income taxation expense charged to profit or loss, a deferred taxation credit of £191,000 (2013: debit of £537,000) has been recognised in equity in the year.

10. Dividends

On 19th July 2013, a dividend of 3.0 pence per share (total dividend £190,500) was paid to shareholders.
On 8th October 2013, a dividend of 1.5 pence per share was paid (total dividend £95,250).

On 18th July 2014, a dividend of 2.5 pence per share (total dividend £158,750) was paid to shareholders.
On 6th October 2014, a dividend of 2.0 pence per share was paid (total dividend £127,065).

In respect of the current year, the Directors propose that a dividend of 4.0 pence per share will be paid to shareholders on 24th July 2015. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all shareholders on the Register of Members on 26th June 2015. The total estimated dividend to be paid is £254,058.

11. Earnings per share

Basic earnings per share of 13.7 pence (2013: 9.1 pence) is based on the following data:

Earnings

	Year ended 31/12/14 £000	Year ended 31/12/13 £000
Earnings for the purposes of basic earnings per share (profit for the year attributable to equity holders of the Parent)	**867**	580

Number of shares

	Year ended 31/12/14	Year ended 31/12/13
Weighted average number of ordinary shares for the purposes of basic earnings per share	**6,351,452**	6,351,452

12. Property, plant and equipment

Consolidated	Land and buildings £000	Plant and machinery £000	Vehicles £000	Furniture, fittings and equipment £000	Total £000
Cost or deemed cost					
Balance at 1st January 2013	4,540	12,712	72	758	18,082
Additions	–	1,399	16	79	1,494
Disposals	–	(214)	(6)	(11)	(231)
Balance at 31st December 2013	4,540	13,897	82	826	19,345
Balance at 1st January 2014	4,540	13,897	82	826	19,345
Additions	–	767	55	37	859
Disposals	–	(1,013)	(53)	(97)	(1,163)
Balance at 31st December 2014	**4,540**	**13,651**	**84**	**766**	**19,041**
Depreciation and impairment					
Balance at 1st January 2013	1,814	9,731	55	718	12,318
Charge for the year	89	996	18	38	1,141
Disposals	–	(155)	(6)	(11)	(172)
Balance at 31st December 2013	1,903	10,572	67	745	13,287
Balance at 1st January 2014	1,903	10,572	67	745	13,287
Charge for the year	85	927	17	65	1,094
Disposals	–	(642)	(48)	(98)	(788)
Balance at 31st December 2014	**1,988**	**10,857**	**36**	**712**	**13,593**
Net book value					
At 1st January 2013	2,726	2,981	17	40	5,764
At 31st December 2013 and 1st January 2014	2,637	3,325	15	81	6,058
At 31st December 2014	**2,552**	**2,794**	**48**	**54**	**5,448**

The carrying amount of the Group's fixtures, equipment, plant and machinery includes an amount of £1,126,000 (2013: £1,425,000) in respect of assets held under finance leases.

In accordance with IFRS 1, the Group has treated the revalued carrying value as at the transition date as the opening deemed cost for land and buildings.

No interest was capitalised during the year (2013: £Nil).

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

12. Property, plant and equipment continued

Company	Land and buildings £000	Furniture, fittings and equipment £000	Total £000
Cost			
Balance at 1st January 2013	10	57	67
Additions	–	5	5
Disposals	–	(12)	(12)
Balance at 31st December 2013	10	50	60
Balance at 1st January 2014	10	50	60
Additions	–	1	1
Disposals	–	(3)	(3)
Balance at 31st December 2014	**10**	**48**	**58**
Depreciation and impairment			
Balance at 1st January 2013	10	49	59
Charge for the year	–	5	5
Disposals	–	(12)	(12)
Balance at 31st December 2013	10	42	52
Balance at 1st January 2014	10	42	52
Charge for the year	–	3	3
Disposals	–	(3)	(3)
Balance at 31st December 2014	**10**	**42**	**52**
Net book value			
At 1st January 2013	–	8	8
At 31st December 2013 and 1st January 2014	–	8	8
At 31st December 2014	**–**	**6**	**6**

13. Subsidiaries

The Company has the following investments in active subsidiaries:

Name of Subsidiary	Principal activity
BSP International Foundations Ltd	Design and manufacture of a proprietary range of piling and dynamic compaction equipment for the ground engineering sector.
Tex Engineering Ltd	Manufacture and sale of Trojan Asphalt Mixers, road surfacing and associated equipment and spares, Mobility Scooter Stores, Allied Kiosks and Enclosures, Industrial Gas Burners, Springwood white lining equipment, trailers and marketing and distribution of Fibertex Geotextiles.
Eurotex International Ltd	Marine diesel engine and governor rebuilding, parts supply and technical support; engineering and procurement services.
Tex A.T.C. Services Ltd	Design, manufacture and installation of air traffic control rooms.
Tex Air Traffic Control Rooms Ltd	Design, manufacture and installation of air traffic control rooms.
Tex Special Projects Ltd	Design and manufacture of bespoke and modular structures and Radio Frequency-blocking glazing for both civilian and military applications.
Tex Plastics (Derby) Ltd	Precision injection moulding and finishing services and tooling procurement.
Tex Plastics (Barnstaple) Ltd	Precision injection moulding and assembly services and tooling procurement.
QK Honeycomb Products Ltd	Manufacture and sale of boards and panels.
UK Mex and Associates Ltd	Supplier of diesel engine parts, complete engines and service exchange units, together with a technical support service to Mexico.
ADR Sales Ltd	The supply of airfield damage repair systems.

All companies are incorporated in Great Britain and carry out activities in the United Kingdom. Tex Holdings plc owns 100% of the ordinary share capital of the above companies. A full list of subsidiaries will be included in the next annual return.

Company	Shares in Group undertakings £000	Loans to Group undertakings £000	Total £000
Cost			
At 1st January 2014	3,621	15,240	18,861
Loan movement	–	(322)	(322)
At 31st December 2014	**3,621**	**14,918**	**18,539**
Provisions			
At 1st January 2014	2,232	2,556	4,788
Movement	–	750	750
At 31st December 2014	**2,232**	**3,306**	**5,538**
Net book value			
At 31st December 2014	**1,389**	**11,612**	**13,001**
At 31st December 2013	1,389	12,684	14,073

The Group considers impairment of its subsidiaries annually, comparing the carrying value of the investment in the company balance sheet to the respective subsidiary's net assets. This is assessed in the context of the Group's divisional structure, considered cash-generating units, and if appropriate an impairment provision is made.

14. Deferred taxation

Consolidated

Recognised deferred taxation assets and liabilities

Deferred taxation assets and liabilities are attributable to the following:

	Assets		**Liabilities**	
	31/12/14 £000	31/12/13 £000	**31/12/14 £000**	31/12/13 £000
Property, plant and equipment	**–**	–	**72**	27
Provisions	**–**	(44)	**32**	–
Employee benefits	**(527)**	(336)	**–**	–
Taxation (assets)/liabilities	**(527)**	(380)	**104**	27
Net of taxation liabilities/(assets)	**104**	27	**(104)**	(27)
Net taxation (assets)/liabilities	**(423)**	(353)	**–**	–

Movement in deferred taxation during the year

	01/01/14 £000	Recognised in income £000	Recognised in equity £000	**31/12/14 £000**
Property, plant and equipment	27	45	–	**72**
Provisions	(44)	76	–	**32**
Employee benefits	(336)	–	(191)	**(527)**
	(353)	121	(191)	**(423)**

Movement in deferred taxation during the prior year

	01/01/13 £000	Recognised in income £000	Recognised in equity £000	31/12/13 £000
Property, plant and equipment	31	(4)	–	27
Provisions	(31)	(13)	–	(44)
Employee benefits	(873)	–	537	(336)
	(873)	(17)	537	(353)

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

14. Deferred taxation continued

Company

Recognised deferred taxation assets and liabilities

Deferred taxation assets and liabilities are attributable to the following:

	Assets		Liabilities	
	31/12/14 £000	31/12/13 £000	**31/12/14 £000**	31/12/13 £000
Property, plant and equipment	**–**	–	**–**	–
Provisions	**(92)**	(91)	**–**	–
Employee benefits	**(527)**	(336)	**–**	–
Taxation (assets)/liabilities	**(619)**	(427)	**–**	–
Net of taxation liabilities/(assets)	**–**	–	**–**	–
Net taxation (assets)/liabilities	**(619)**	(427)	**–**	–

Movement in deferred taxation during the year

	01/01/14 £000	Recognised in income £000	Recognised in equity £000	**31/12/14 £000**
Property, plant and equipment	–	–	–	**–**
Provisions	(91)	(1)	–	**(92)**
Employee benefits	(336)	–	(191)	**(527)**
	(427)	(1)	(191)	**(619)**

Movement in deferred taxation during the prior year

	01/01/13 £000	Recognised in income £000	Recognised in equity £000	31/12/13 £000
Property, plant and equipment	(1)	1	–	–
Provisions	(91)	–	–	(91)
Employee benefits	(873)	–	537	(336)
	(965)	1	537	(427)

15. Inventories

	Consolidated		Company	
	31/12/14 £000	31/12/13 £000	**31/12/14 £000**	31/12/13 £000
Raw materials	**2,805**	2,659	**–**	–
Work-in-progress	**626**	711	**–**	–
Finished goods	**2,448**	2,758	**–**	–
	5,879	6,128	**–**	–

During 2014 stock expensed was £25,797,000 (2013: £29,256,000) and the amount provided in the year was £105,000 (2013: £108,000).

16. Other financial assets

Trade and other receivables

	Consolidated		Company	
	31/12/14 £000	31/12/13 £000	**31/12/14 £000**	31/12/13 £000
Amounts receivable from the sale of goods	**8,889**	8,451	**–**	–
Amounts receivable from related parties	**–**	–	**163**	147
Other debtors and prepayments	**873**	1,608	**15**	265
	9,762	10,059	**178**	412

The Directors consider that the carrying amount of trade and other receivables approximates their fair value, after incorporating an impairment provision of £377,000 (2013: £65,000).

Credit risk

The Group's principal financial assets are bank balances and cash, available-for-sale financial assets and trade and other receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of customers.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Consolidated		Company	
	31/12/14 £000	31/12/13 £000	31/12/14 £000	31/12/13 £000
Eurozone	**27**	219	**–**	–
UK	**8,111**	7,715	**–**	–
US	**581**	116	**–**	–
Other countries	**547**	466	**–**	–
	9,266	8,516	**–**	–

The ageing of receivables at the reporting date was:

	Consolidated		Company	
	31/12/14 £000	31/12/13 £000	31/12/14 £000	31/12/13 £000
Not past due	**5,610**	5,494	**–**	–
Past due 0-30 days	**2,299**	1,777	**–**	–
Past due 31-120 days	**1,026**	1,070	**–**	–
Balance up to one year	**144**	34	**–**	–
More than one year	**187**	141	**–**	–
	9,266	8,516	**–**	–

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Consolidated		Company	
	2014 £000	2013 £000	2014 £000	2013 £000
Balance at 1st January	**65**	94	**–**	–
Impairment loss/(profit) recognised	**312**	(29)	**–**	–
Balance at 31st December	**377**	65	**–**	–

Based on past experience, the Group believes that no impairment allowance is necessary in respect of trade receivables up to 180 days past due. Balances over 180 days past due are reviewed on a case-by-case basis, taking into account receivables post year-end.

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

17. Available-for-sale financial assets

	Consolidated		Company	
	2014 **£000**	2013 £000	**2014** **£000**	2013 £000
At 1st January	**253**	495	**253**	495
Additions	**–**	66	**–**	66
Disposals	**(265)**	(271)	**(265)**	(271)
Net (loss)/gains transferred to equity	**12**	(37)	**12**	(37)
At 31st December	**–**	253	**–**	253

Available-for-sale financial assets include the following:

	Consolidated		Company	
	2014 **£000**	2013 £000	**2014** **£000**	2013 £000
Equity securities – UK	**–**	48	**–**	48
Equity securities – US	**–**	131	**–**	131
Debt securities with fixed interest ranging from 7.9% to 12% and maturity dates between December 2018 and May 2021	**–**	74	**–**	74
	–	253	**–**	253

Available-for-sale financial assets are denominated in the following currencies:

	Consolidated		Company	
	2014 **£000**	2013 £000	**2014** **£000**	2013 £000
UK Pound Sterling	**–**	122	**–**	122
US Dollar	**–**	131	**–**	131
	–	253	**–**	253

The maximum exposure to credit risk at the reporting date is the carrying value of the debt securities classified as available-for-sale.

None of these financial assets are either past due or impaired.

18. Cash and cash equivalents/bank overdrafts

	Consolidated		Company	
	31/12/14 **£000**	31/12/13 £000	**31/12/14** **£000**	31/12/13 £000
Cash and cash equivalents per balance sheet	**358**	–	**–**	–
Bank overdrafts	**–**	(1,106)	**(264)**	(2,101)
Cash and cash equivalents per cash flow statements	**358**	(1,106)	**(264)**	(2,101)

The Directors consider that the carrying amount of cash and cash equivalents approximates their fair value.

19. Current bank overdrafts and loans

	Consolidated		Company	
	31/12/14 **£000**	31/12/13 £000	**31/12/14** **£000**	31/12/13 £000
Bank overdrafts	**–**	1,106	**264**	2,101
Bank loans and finance lease liabilities (note 21)	**722**	713	**432**	432
	722	1,819	**696**	2,533

The Directors consider that the carrying amount of bank overdrafts and loans approximates their fair value.

All the Group's borrowings are denominated in Pound Sterling.

The average interest rates paid were as follows:

	31/12/14	31/12/13
Bank overdrafts	**3.25%**	3.25%
Bank loans	**4.60%**	4.60%

Bank loans of £1,016,000 (2013: £1,448,000) are arranged at fixed interest rates and expose the Group to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Bank overdrafts are repayable on demand. Overdrafts of £Nil (2013: £1,106,000) have been secured by a charge over the Group's assets. The average effective interest rate is determined based on 2.75% over bank base rate.

The Group has two principal bank loans:

(a) a loan of £116,000 (2013: £148,000). The loan was raised on 29th April 2003. Repayments commenced on 29th July 2003 and will continue until 29th April 2018. The loan is secured by a charge over certain of the Group's assets. The loan carries interest at 1.25% above the bank's base rate.
(b) a loan of £900,000 (2013: £1,300,000). The loan was raised on 12th March 2012. Repayments commenced on 12th June 2012 and will continue until 12th March 2017. The loan is secured by a charge over certain of the Group's assets. The loan carries interest at 4.1825%.

There were no defaults of the loans during the year.

At 31st December 2014, the Group had available £1,500,000 (2013: £1,394,000) of undrawn committed borrowing facilities.

20. Share capital

Consolidated and Company	**31/12/14 £000**	31/12/13 £000
Authorised:		
8,000,000 ordinary shares of 10 pence each	**800**	800
Issued and fully paid:		
At the beginning and end of the year	**635**	635

The Company has one class of ordinary share which carries no right to fixed income.

21. Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings.

	Consolidated		**Company**	
	31/12/14 £000	31/12/13 £000	**31/12/14 £000**	31/12/13 £000
Non-current liabilities				
Secured bank loans	**582**	1,016	**582**	1,016
Finance lease liabilities	**1,094**	1,316	**–**	–
	1,676	2,332	**582**	1,016
Current liabilities				
Current portion of secured bank loans	**432**	432	**432**	432
Current portion of finance lease liabilities	**290**	281	**–**	–
	722	713	**432**	432

For further detail relating to the bank loans above see note 19.

	Minimum lease payments		**Present value of minimum lease payments**	
	31/12/14 £000	31/12/13 £000	**31/12/14 £000**	31/12/13 £000
Amounts payable under finance leases:				
Within one year	**290**	281	**290**	281
In the second to fifth years inclusive	**1,094**	1,316	**1,094**	1,316
	1,384	1,597	**1,384**	1,597

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

21. Other interest-bearing loans and borrowings continued

It is the Group's policy to lease certain of its fixtures and equipment under finance leases. The average lease term is three years. For the year ended 31st December 2014, the average effective borrowing rate was 7.3% (2013: 7.3%). Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in Pound Sterling.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

22. Trade and other payables

	Consolidated		Company	
	31/12/14 £000	31/12/13 £000	**31/12/14 £000**	31/12/13 £000
Trade payables	**5,154**	5,484	**12**	15
Amounts due to related parties	**–**	–	**1**	1
Social security and other taxes	**712**	787	**26**	34
Accrued expenses	**2,014**	1,309	**76**	104
	7,880	7,580	**115**	154

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The Directors consider that the carrying amount of trade payables approximates their fair value.

23. Provisions for other liabilities and charges

	Consolidated		Company	
	2014 £000	2013 £000	**2014 £000**	2013 £000
At 1st January	**270**	473	**–**	413
Movement in provisions	**(170)**	(203)	**–**	(413)
At 31st December	**100**	270	**–**	–
Non-current	**–**	–	**–**	–
Current	**–**	270	**–**	–
At 31st December	**–**	270	**–**	–

Provisions are made up of the following:

Legal claims	**–**	210	**–**	–
Potential costs expected on a contract	**–**	60	**–**	–
Potential holiday pay expenses	**100**	–	**–**	–
At 31st December	**100**	270	**–**	–

24. Contingent liabilities

(a) Legal mortgages over the freehold and long leasehold properties and a charge over all fixed and floating assets have been lodged with the Group's bank in connection with the Group's facilities.

(b) The Company, together with certain other Group companies has agreed jointly and severally to guarantee to National Westminster Bank PLC:

(i) the liabilities of each and every one of the joint guarantors of the Group overdraft facility which at 31st December 2014 was being utilised by other Group companies to the extent of £Nil (31st December 2013: £1,106,000);

(ii) other banking facilities in respect of documentary credits, indemnities, guarantees, etc. entered into as part of the ordinary course of the Group's businesses, which at 31st December 2014 amounted to £543,781 (31st December 2013: £543,781).

(c) The Company has provided a 12 month guarantee to one of QK Honeycomb Products Ltd's suppliers for payments due on demand, up to £10,000 (31st December 2013: £10,000). The guarantee commenced on 25th July 2013.

25. Capital Commitments

There were no Group capital commitments at the end of the current or previous financial year.

26. Operating lease arrangements

Future minimum lease payments under non-cancellable operating leases are as follows:

Consolidated	Land and buildings 31/12/14 £000	Other 31/12/14 £000	Land and buildings 31/12/13 £000	Other 31/12/13 £000
Operating leases rental payments due:				
Within one year	**281**	**–**	311	–
In the second to fifth years inclusive	**803**	**–**	901	–
Over five years	**3,887**	**–**	4,113	–
	4,971	**–**	5,325	–

Company	Land and buildings 31/12/14 £000	Other 31/12/14 £000	Land and buildings 31/12/13 £000	Other 31/12/13 £000
Operating leases rental payments due:				
In the second to fifth years inclusive	**9**	**–**	36	–

Operating lease payments represent rentals payable by the Group for certain of its properties. Leases are negotiated for an average term of four years and rentals are fixed for an average of four years.

Consolidated

During the year £504,000 was recognised as an expense in the income statement in respect of operating leases (2013: £485,000).

Company

During the year £27,000 was recognised as an expense in the income statement in respect of operating leases (2013: £27,000).

27. Retirement benefit plans

Defined benefit scheme

The Group operates a pension scheme providing benefits based on final pensionable pay. The Scheme is closed to new members and was closed to benefit accruals from 6th April 2002. The assets of the Scheme are held separately from those of the Group in trustee administered funds. Contributions to the Scheme are charged to the income statement so as to spread the cost of pensions over employees' working lives with the Group. The level of contributions is determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The assumptions which have the most significant effect on the results of the valuation are those relating to member's longevity, investment performance and the removal of tax credit on dividend income. The assumption contained in the last review presumed that the investment yield would be 2.2% greater than pensionable salary increases.

The most recent funding valuation at 6th April 2013 showed that the market value of the Scheme's assets was £12,163,000 which represented 82% of the benefits that had accrued to members after allowing for expected future increases in earnings. As recommended by the Actuary, the contribution rate was left at £8,333 per month.

The major assumptions used in this valuation were updated for IAS 19 purposes and are as follows:

	31/12/14	31/12/13
Discount rate	**3.40%**	4.40%
Expected return on plan assets	**N/A**	N/A
Expected rate of salary increases	**N/A**	N/A
Inflation	**3.10%**	3.60%
Pension cost of living increase	**3.30%**	3.80%

In valuing the liabilities of the pension fund at 31st December 2014, mortality assumptions have been made as indicated below.

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

27. Retirement benefit plans continued

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

- Current pensioner aged 65: 23.1 years (male), 25.2 years (female).
- Future retiree upon reaching 65: 24.8 years (male), 27.1 years (female).

The amount recognised in the balance sheet in respect of the Group's defined benefit retirement plan is as follows:

	31/12/14 £000	31/12/13 £000
Present value of funded obligations	**(15,897)**	(14,325)
Fair value of plan assets	**13,306**	12,955
Net liability recognised in the balance sheet	**(2,591)**	(1,370)

Amounts recognised in profit or loss in respect of the defined benefit plan is as follows:

	31/12/14 £000	31/12/13 £000
Interest on obligation	**(618)**	(591)
Interest income	**560**	444
	(58)	(147)

The charge for the year is included in the finance charges in the income statement.

Cumulative actuarial gains and losses reported in the statement of recognised income and expenses since 1st April 2004, the transition date to adopted IFRSs, are losses £1,353,000 (2013 losses: £132,000) and Company losses £1,353,000 (2013 losses: £132,000).

Changes in the present value of the defined benefit obligation are as follows:

	31/12/14 £000	31/12/13 £000
Opening defined benefit obligation	**14,325**	15,153
Interest cost	**618**	591
Benefit paid	**(566)**	(1,190)
Actuarial loss/(gain)	**1,520**	(229)
Defined benefit obligation at end of year	**15,897**	14,325

Changes in the fair value of plan assets are as follows:

	31/12/14 £000	31/12/13 £000
Fair value of plan assets at beginning of year	**12,955**	11,517
Interest income	**560**	444
Total contributions employer	**100**	100
Benefits paid	**(566)**	(1,190)
Actuarial gain occurred at end of year	**257**	2,084
Fair value of plan assets at end of year	**13,306**	12,955

The fair value of plan assets at the balance sheet date is analysed as follows:

	31/12/14 £000	31/12/13 £000
Equities	**10,820**	10,578
Bonds	**2,186**	2,205
Other	**300**	172
	13,306	12,955

The plan assets do not include any of the Group's own financial instruments, nor any property occupied by, or other assets used by, the Group.

The expected rate of return on individual categories of plan assets are determined by reference to relevant indices. The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio. The actual rate of return on the Scheme's investments was (6.7)%.

The history of the plan for the current and prior periods, which is used by the directors as a high-level sensitivity analysis, is as follows:

	31/12/14 £000	31/12/13 £000	31/12/12 £000	31/12/11 £000	31/12/10 £000
Present value of defined benefit obligation	**15,897**	14,325	15,153	14,102	12,578
Fair value of plan assets	**(13,306)**	(12,955)	(11,517)	(10,672)	(11,441)
	2,591	1,370	3,636	3,430	1,137
Experience gains/(losses) arising	**45**	(446)	(156)	211	828

The Group expects to contribute approximately £100,000 to its defined benefit plan in 2015.

Defined contribution scheme

The final salary scheme has been replaced with a Group Personal Pension plan. Eligible employees take out an individual contract with Standard Life to which the Company pays a fixed contribution.

The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £184,000 (2013: £143,000).

There were no outstanding or prepaid contributions at either beginning or end of the financial year.

28. Related party transactions

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

ARB Burrows has an interest in Edward Le Bas Properties Limited through which the Group rents properties. Transactions during the period ended 31st December 2014 that require disclosure are detailed below:

Rentals paid	£270,697 (31st December 2013: £260,453)
Trade payables	£41,020 (31st December 2013: £11,432)

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.

Directors are considered to be the Group's key management personnel. Details regarding Directors' remuneration can be found on page 18, in the remuneration report.

Details of the principal subsidiary undertakings are shown in note 13.

During the year ended 31st December 2014 the Company received interest income from subsidiary undertakings of £1,005,000 (2013: £953,000) and dividends of £1,500,000 (2013: £281,000).

At 31st December 2014 amounts owed by subsidiary undertakings to the Company were £163,000 (2013: £147,000).

At 31st December 2014 loans by the Company to subsidiary undertakings were £13,451,000 (2013: £13,773,000).

29. Accounting estimates and judgements

Recoverability of certain assets/impairment calculations

Trade receivable balances more than six months old are provided for unless specific contractual terms allow for extended terms.

Pension assumptions

The assumptions re the pension deficit are set out in note 27.

Notes to the Consolidated Financial Statements continued

for the year ended 31st December 2014

30. Financial instruments and risk management

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern whilst maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 19, cash and cash equivalents and equity attributable to equity holders of the Parent disclosed in the statement of changes in equity. The structure is managed to minimise the Group's cost of capital and to provide ongoing returns to shareholders and service debt obligations.

Surplus cash is either reinvested in the business, or used to repay debt. The Group maintains a conservative level of debt.

The Group is not subject to externally imposed capital requirements.

Interest rate risk

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings.

If interest rates had been 1.0% higher or lower and all other variables were held constant, the Group's profit for the year ended 31st December 2014 and its equity at 31st December 2014 would decrease or increase by £20,000 in each case. This calculation applies a 1.0% variance in the average interest rate for the year on the variable rate borrowings. A 1.0% increase or decrease represents management's assessment of a reasonably possible change in interest rates.

Liquidity risk

The Group manages liquidity risk by maintaining adequate borrowing facilities and by regularly monitoring forecast and actual cash flows.

Foreign currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	31/12/14			31/12/13		
	Pound Sterling 000	**USD 000**	**Euro 000**	Pound Sterling 000	USD 000	Euro 000
Trade receivables	**8,908**	**152**	**–**	8,519	19	–
Secured bank loans	**(1,014)**	**–**	**–**	(2,554)	–	–
Trade payables	**(4,925)**	**(50)**	**(150)**	(5,199)	(50)	(150)
Gross balance sheet exposure	**2,969**	**102**	**(150)**	766	(31)	(150)
Estimated forecast sales	**38,011**	**300**	**–**	38,958	660	–
Estimated forecast purchases	**(36,287)**	**(240)**	**(1,000)**	(37,547)	(220)	(830)
Gross exposure	**1,724**	**60**	**(1,000)**	1,411	440	(830)
Net exposure	**4,693**	**162**	**(1,150)**	2,177	409	(980)

The following significant exchange rates applied during the year:

	Average rate		**Reporting date mid-spot rate**	
Pound Sterling	**2014**	2013	**2014**	2013
USD	**1.65**	1.57	**1.56**	1.65
Euro	**1.25**	1.18	**1.28**	1.20

Sensitivity analysis

A 10.0% strengthening of the Pound Sterling against the following currencies at 31st December 2014 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is:

Effect in £000 **31st December 2014**	**Profit or loss** **£000**
USD	**(9)**
Euro	**14**
31st December 2013	
USD	(23)
Euro	74

A 10.0% weakening of the Pound Sterling against the above currencies at 31st December 2014 would have had the equal but opposite effect on the currencies to the amounts shown above, on the basis that all other variables remain constant.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Sixty-ninth Annual General Meeting of the Company will be held at Tex Holdings plc, Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL on 22nd June 2015 at 12:15pm for the following purposes:

1. To receive and adopt the Consolidated financial statements, together with the reports of the Directors and auditors, for the year ended 31st December 2014.

2. To approve the payment of a dividend of 4.0 pence per share to shareholders on the register as at 26th June 2015 with payment to be made on 24th July 2015.

3. To re-elect as a Director D Redhead who retires by rotation.

   D Redhead (age 68) is Chairman of the Engineering Division. He retired as Managing Director of BSP International Foundations in June 2013, following 40 years' service with the Company. He is International Trade Ambassador for the Construction Equipment Trade Association and sits on the Engineering Employers Federation (EEF) Council, having been past president of the EEF East Anglian branch. He is a Governor of Easton & Otley College.

4. To re-elect as a Director CT Varley.

   CT Varley (age 66) retired as Managing Director of Tex Plastics Division in December 2014, having served the Group for nearly 30 years.

5. A resolution will be proposed that ARB Burrows who retires by reason of his having attained the age of 70 shall, notwithstanding that fact, be re-appointed as Director of the Company for a further period of one year.

6. A resolution will be proposed that CD Palmer-Tomkinson who retires by reason of his having attained the age of 70 shall, notwithstanding that fact, be re-appointed as Director of the Company for a further period of one year.

7. To pass the following ordinary resolution:-
   (i) That the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of Section 551 and pursuant to Section 570 of the Companies Act 2006 to allot relevant securities within the meaning of Section 551 of the said Act up to an aggregate amount of £167,354.80 provided always that such activity (unless previously varied, revoked or reviewed) shall expire five years after the date on which the resolution is passed but shall allow the Company before such expiry to make an offer or agreement which would or might require any relevant securities that are covered by the scope of the authority to be allotted after such expiry.

8. To re-appoint Larking Gowen Limited as auditors and to authorise the Directors to fix their remuneration.

By order of the Board

CA Parker
Secretary

Notes:
1. Holders of ordinary shares are entitled to attend and vote at the meeting;
2. A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote on his behalf: a proxy need not be a member. The instrument appointing a proxy must be deposited with the registrars of the Company, Computershare Investor Services PLC, not less than 48 hours before the meeting;
3. During the period 17th April 2015 to the date of the Annual General Meeting there will be available for inspection at the Company's registered office during normal business hours and also at the place of the Annual General Meeting for 15 minutes prior to the meeting and during the meeting:
   (a) A statement of all transactions of each Director and of his family in the ordinary shares of the Company during the period 18th March 2014 to 17th April 2015; and
   (b) A copy of the Executive Director's contract of service with the Company.

Directors and Advisors

TEX HOLDINGS plc
Parent Company

Directors
ARB Burrows** (Chairman)
CA Parker (Executive Director)
CD Palmer-Tomkinson**
D Redhead**
CT Varley* (Appointed 01/01/15)
* (Non-Executive Director)
** (Non-Executive Director, Member of Audit Committee, Member of Remuneration Committee)

Company Secretary
CA Parker

TEX GROUP LIMITED
Management Company

Directors
SP Codd
J Davies (Appointed 01/01/15)
JM Field
MJ McCarthy
RJ Melton
DJ Ogden
CA Parker
CT Varley (Resigned 31/12/14)

Registered office
Claydon Business Park
Gipping Road
Great Blakenham
Ipswich
Suffolk
IP6 0NL
United Kingdom

Registered number
00405838

Registrars
Computershare Investor Services PLC

Auditors
Larking Gowen Limited

Bankers
National Westminster Bank PLC

Legal advisors
Birketts LLP

Group Addresses

Tex Holdings plc
Claydon Business Park, Gipping Road,
Great Blakenham, Ipswich, Suffolk IP6 0NL,
United Kingdom
Executive Director: Mr CA Parker
Tel: 01473 830144
www.tex-holdings.co.uk

BSP International Foundations Ltd
Claydon Business Park, Gipping Road,
Great Blakenham, Ipswich, Suffolk IP6 0NL,
United Kingdom
Managing Director: Mr RJ Melton
Tel: 01473 830431
www.bsp-if.com

Tex Engineering Ltd
Unit 35, Claydon Business Park, Gipping Road,
Great Blakenham, Ipswich, Suffolk IP6 0NL,
United Kingdom
Director: Mr DJ Ogden
Tel: 01473 830030
www.tex-engineering.co.uk

Tex Air Traffic Control Rooms Ltd
Claydon Business Park, Gipping Road,
Great Blakenham, Ipswich, Suffolk IP6 0NL,
United Kingdom
Executive Director: Mr CA Parker
Tel: 01473 830144
www.tex-atc.co.uk

Tex A.T.C. Services Ltd
Claydon Business Park, Gipping Road,
Great Blakenham, Ipswich, Suffolk IP6 0NL,
United Kingdom
Executive Director: Mr CA Parker
Tel: 01473 830144
www.tex-atc.co.uk

Tex Special Projects Ltd
Claydon Business Park, Gipping Road,
Great Blakenham, Ipswich, Suffolk IP6 0NL,
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Director: Mr MJ McCarthy
Tel: 01473 830144
www.tex-atc.co.uk

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Brightlingsea, Colchester, Essex CO7 0AR,
United Kingdom
Managing Director: Mr SP Codd
Tel: 01206 304063
www.eurotex-intl.com

Tex Plastics (Derby) Ltd
Wetherby Road, Derby DE24 8HL,
United Kingdom
Managing Director: Mr J Davies
Tel: 01332 363249
www.tex-plastics.co.uk

Tex Plastics (Barnstaple) Ltd
Aviemore Industrial Estate,
Barnstaple, North Devon EX31 2EU,
United Kingdom
Managing Director: Mr J Davies
Tel: 01271 378528
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QK Honeycomb Products Ltd
Creeting Road West, Stowmarket,
Suffolk IP14 5AS,
United Kingdom
Managing Director: Mr JM Field
Tel: 01449 612145
www.qkhoneycomb.co.uk

A procession of Royal Navy aircraft flanked by a Guard of Honour commemorating the naming ceremony of the HMS Queen Elizabeth in Rosyth on 4th July 2014.

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TEX HOLDINGS plc

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