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Registered number: 00405838

TEX GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

TEX GROUP LIMITED

COMPANY INFORMATION

Directors	A R Burrows C D Palmer-Tomkinson S P Codd M Q Harrison (appointed 19 April 2021) G Brown (appointed 21 March 2022)
Company secretary	R Mann
Registered number	00405838
Registered office	Claydon Business Park Gipping Road Great Blakenham Ipswich Suffolk IP6 0NL
Independent auditors	Larking Gowen LLP Chartered Accountants and Statutory Auditor Unit 1 Claydon Business Park Gipping Road Great Blakenham Ipswich Suffolk IP6 0NL
Bankers	NatWest Bank Plc Amsterdam Place Amsterdam Way Norwich Norfolk NR6 6JA

TEX GROUP LIMITED

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The directors present their Strategic Report for the period ended 31 March 2022.

Business review

Engineering Division summary

Sales for the year to 31 March 2022 were in excess of £15m. The Budget had been set at £23m. The shortfall was largely due to Tex ATC Limited which did not make the progress on the five Nigerian Towers that they had anticiptated would fall into this year and also delays on the Indian Navy contract. This resulted in a shorfall in sales of £4m. G&M Euro Tex Limited also did not deliver to budget by £4m due to issues with the supply chain.

Gross margin was 25% for the year compared to 35% budgeted. This was due to rising costs that were higher than budgeted. Overheads were in the region of £3.5m compared to the Budget of £6.1m.

We anticipate that this division will return to profitability as we have completed the Indian Navy contract post year end, we have new spares orders for the Indian Navy and there have been large orders placed for G&M Euro Tex Limited which look to keep us productive for the rest of the current financial year.

Plastics Division summary

Sales for the year to 31 March 2022 were in excess of £22.5m. Budget had been set at £21.8m and so the division had managed to deliver to Budget, despite the aftermath of the COVID - 19 pandemic.

The gross margin for the year was 18% compared to prior year 19% so this was at similar levels.

Net profit after tax for the year was £709k compared to a Budget of £1.1m. The profitability of this division looks set to continue with orders on the books of £7.6m at 28 February 2023.

Boards & Panels Division summary

Sales for the year to 31 March 2022 were £4.8m compared to a Budget set of £5m. The gross margin was 37% which was below budget set of 44%.

Overheads were £1.87m for the year compared to £1.48m budgeted.

The company has a good order book of £1.27m as at 28 February 2023.

Principal risks and uncertainties

The Board reviews and agrees policies for managing these risks and they are summarised below.

Interest rate risk
The interest rates charged are reviewed periodically. We ensure that all capital expenditure is assessed and financed on the best rate possible.

The Group's borrowings consist of finance lease and HP arrangements.

There is a £1.5m facility with the immediate parent company of the group currently in place. This will eventually be partially replaced by a new £1m overdraft facility with HSBC Bank plc.

Liquidity risk
The company monitors the cash on a daily basis and ensures that it holds enough in order to meet liabilities for the next few months. If further funds are required then discussion occurs with the immediate parent company.

Credit risk
The credit rating of significant customers is monitored using a third-party agency.

Business disruption risk
The Group's manufacturing operations could be subject to disruption due to factors including incidents such as a major fire, failure of key suppliers or a virus pandemic. Incidents such as a fire at key premises or failure of key suppliers could result in the temporary cessation in activity or disruption of the Group's production facilities impeding the Group's ability to deliver its products to its customers, adversely affecting its financial results.

The Group has developed business continuity and disaster recovery plans.

The Group also maintains insurance to cover business interruption and damage to property from such events.

Financial key performance indicators

The Group's key financial performance indicators during the period were as follows:

	Year to 31 Mar 2022	15 months to 31 Mar 2021
Turnover (£k)	42,745	47,853
Gross Profit (£k)	10,485	13,130
Gross Profit Margin (%)	24.5	27.4
Operating Loss (£k)	(1,108)	(1,567)
Cash and cash equivalents (£k)	369	1,036
Balance owed from Edward Le Bas Limited (£k)	-	2,300
Head count (FTE)	411	465
Sales and orders report (£k)	19,611	15,008

These figures are produced monthly and provided to the Board to review. The Sales and Orders report is circulated weekly.

The cash is reviewed for at least a 3 month period to ensure we have enough cash available in order to sustain working capital requirements.

Other key performance indicators

The Group monitors non-financial factors including environmental and employee matters. There is an accident log that is kept for Health and Safety and reviewed at each Board Meeting. Human Resources look after the employee matters and we have a Health and Safety officer in place for the Group.

Directors' statement of compliance with duty to promote the success of the Group

The directors identify the Company's stakeholder as its shareholders, employees, customers, suppliers and pension scheme members. The impact of each stakeholder is considered during the process of making strategic decisions. The Board meets regularly to discuss key issues, review results, approve annual budgets and internal controls. The directors of the Company act to promote the success of the Company for the benefit of its members and maintain a high standard of business conduct. The directors have committed to delivering long-term value and to act in the way they consider, in good faith, is most likely to promote the success of the company for the benefit of its stakeholders as a whole and in doing so have regard, amongst other matters, to:

* the likely consequences of any decision in the long term,
* the interests of the company's employees,
* the need to foster the company's business relationships with suppliers, customers and others,
* the impact of the company's operations on the community and the environment,
* the desirability of the company maintaining a reputation for high standards of business conduct, and
* the need to act fairly as between stakeholders of the company

Consistent delivery on the commitment demands effective processes of engagement with the full range of stakeholders who influence, and are impacted by, our business operations.

The Company has a governance framework, and it is the responsibility of each Director to ensure that the business of the Company is conducted in adherence to the rules and guidelines, both internally and with dealing with external parties. By adhering to the rules and guidelines, the Directors of the Company act to promote the successes of the Company for the benefit of its members and maintain a high level of business conduct.

The Directors expect the employees to act in accordance with the internal policies and guidelines. Employees are provided with the required training to perform their roles.

The directors practice a culture of regular engagement with employees, reaching out to all staff during visits to the factories and offices and annual gatherings. The effect of these measures is an open dialogue across the organisation.

The Company fosters good business relationships with suppliers. The Company actively engages with the Customer base and has the flexibility to adapt to their needs and requirements.

This report was approved by the board on 27 March 2023 and signed on its behalf.

G Brown
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Business review

The Group has continued to work on the merge of its entities within this financial year. This has involved IT merges as well as staff and factory merges.

The Stowmarket factory was closed for QK TEX Limited in December 2021 and all work is now all carried out at the Brigg factory and there are a few people based at the Claydon site.

It has been decided post year end to close the Argento site which is a satellite depot for BSP TEX Limited.

In October 2021, a salary benchmarking exercise was carried out to ensure that employees are on pay rates that are in line with the external marketplace.

During the year, G Brown was appointed as Commercial director and there has been a change in reporting structure so that now each employee within each entity either reports to G Brown for Commercial, E Hutson for Finance and S Codd for Operational issues.

C Gray and B Burrows left the group on the 31 August 2022 and I C Ross left the group on 12 October 2022 and responsibility has been passed to G Brown and S Codd.

Edward Le Bas Limited continue to buy shares from minority shareholders and so now their ownership stands at 95.48% (2021 : 92.8%)

Results and dividends

The loss for the year, after taxation, amounted to £1,214,539 *(2021 - loss £2,107,729)*.

The directors proposed and paid a dividend of £Nil (2021: £Nil).

Directors

The directors who served during the year were:

A R Burrows
G C Gray (resigned 31 August 2022)
C D Palmer-Tomkinson
D Redhead (resigned 30 April 2021)
I C Ross (resigned 12 October 2022)
E B Burrows (resigned 31 August 2022)
S P Codd
M Q Harrison (appointed 19 April 2021)
G Brown (appointed 21 March 2022)

During the year there has been no contract of significance in relation to the company's business in which any director's interest was material.

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

Future developments

Tex Plastics Limited have gone live on their new accounting and MRP software system EFACS on 1 January 2023.

We are continuing to enhance the existing product portfolio and stop production of products that do not give us a good gross margin.

We are working to dissolve a number of dormant entities to simplify the group and the administrative burden. We are reviewing all locations to ensure that we are working in the most efficient way possible.

We are in the process of transitioning over to HSBC Bank as a group in order to align with Edward Le Bas' bankers.

The war in the Ukraine has impacted supply across Europe and also the price of electricity during the end of 2022 and start of 2023. We are looking at ways to mitigate this with alternative suppliers and obtaining better electricity contracts.

Research and development activities

The Group finds new and innovative ways to design new products. We have successfully developed new sound reducing hammers and are now working on generators that are more environmentally friendly within our new joint venture company, Caigate Tex Energy Solutions Limited.

Engagement with employees

During the year, the Directors have maintained the ability to provide employees systematically with information on employee matters of concern by way of a dedicated Human Resources Manager who lets the individual subsidiaries know any information that is relevant to their staff.

The Directors have consulted with the employees or their representatives on a regular basis so that their views can be taken into account in making decisions which affect their interests. This is maintained either in person or via telephone or e-mail.

The Directors hold regular meetings with various employees from each subsidiary in order to discuss the financial and economic factors affecting the performance of the company. The employees then enact change.

Due to the size of the Group, the Directors are able to regularly visit the subsidiary companies and meet face to face with employees. Any points raised by staff are taken up by the Directors and escalated up to the Board to discuss if their input is required.

Engagement with suppliers, customers and others

The Directors have had regard to the need to foster business relationships with suppliers, customers and others. We have many long-term suppliers which we have continued to work with. We have had a close working relationship with our bankers, and they are regularly sent management information.

Disabled employees

Contacts are maintained with Disablement Resettlement Offices with a view to ensuring full and fair consideration of any disabled applicant for employment. The company endeavours to retain any existing employee who may become disabled, providing specialised training where appropriate. If modified or additional facilities are needed for a disabled employee, all reasonable steps are taken to provide them.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Company has not disclosed information in respect of greenhouse gas emissions, energy consumption and energy efficiency action as the energy consumption of all the company for the year is 40,000kWh or lower.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

On 22 April 2022 Tex Group Limited agreed a facility with Edward Le Bas Limited of £1m at an interest rate of 10% per annum. The loan requires repayment in full once the HSBC overdraft is in place which is likely to be in the year to 31 March 2024.

On 16 August 2022 Tex Group started to liquidate other dormant entities such as Tex Engineering Limited, Eurotex International Limited, Tex Plastics (Barnstaple) Limited, Tex Holdings International Limited, Tex Special Projects Limited, Tex Air Traffic Control Rooms Limited and QK (Humberside) Limited.

On 26 September 2022 it was announced that the factory at Beccles that was part of BSP TEX Limited would be shutting down as of 31 October 2022. All employees from the factory were made redundant and profitable work will be moved into the Claydon factory.

Auditors

Larking Gowen LLP were appointed as auditor on 18 July 2022. Under section 487(2) of the Companies Act 2006, Larking Gowen LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 27 March 2023 and signed on its behalf.

G Brown
Director

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEX GROUP LIMITED

Opinion

We have audited the financial statements of Tex Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Profit and loss account, the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEX GROUP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 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 the information and explanations we require for our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEX GROUP LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risk of material misstatment in respect of irregularities including fraud and non-compliance with laws and regulations, included the following :

- Enquiry with management about any actual or potential litigations and claims against the Company;
- Enquiry with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Review of legal expenses to supporting documentation to assist in identifying any costs in relation to undisclosed litigations and claims against the Company;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Due to the field in which the Company operates, we identified the areas most likely to have a direct material impact on the financial statements as compliance with UK accounting standards, UK tax legislation and the Companies Act 2006. In addition, we considered the provisions of other laws and regulations which whilst not having a direct impact on the financial statements, are fundamental to the Company's ability to operate including health and safety; employment law, and compliance with various other regulations relevant to the operation of the Company's factory.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEX GROUP LIMITED (CONTINUED)

Use of our report

This report is made solely to the 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 Company's members those matters we are required to state to them in an Auditors' 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP

Graham Mummery (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants and Statutory Auditor

Ipswich

27 March 2023

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Turnover	4	**42,745,312**	*47,852,721*
Cost of sales		**(32,260,193)**	*(34,723,037)*
Gross profit		**10,485,119**	*13,129,684*
Distribution costs		**(1,814,115)**	*(1,901,782)*
Administrative expenses		**(9,324,171)**	*(13,327,579)*
Exceptional administrative expenses	14	**(485,180)**	*(670,313)*
Other operating income	5	**30,742**	*1,203,185*
Operating loss	6	**(1,107,605)**	*(1,566,805)*
Interest receivable and similar income	10	**2**	*-*
Interest payable and similar expenses	11	**(66,713)**	*(660,984)*
Other finance income	30	**4,000**	*9,000*
Loss before tax		**(1,170,316)**	*(2,218,789)*
Tax on loss	13	**(44,223)**	*111,060*
Loss for the financial year		**(1,214,539)**	*(2,107,729)*
Loss for the year attributable to:			
Owners of the parent		**(1,214,539)**	*(2,107,729)*
		(1,214,539)	*(2,107,729)*

The notes on pages 26 to 62 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Loss for the financial year		**(1,214,539)**	*(2,107,729)*
Other comprehensive income			
Unrealised surplus on revaluation of tangible fixed assets		**554,319**	-
Actuarial loss on defined benefit schemes	30	**(232,000)**	*(43,000)*
Other comprehensive income for the year/period		**322,319**	*(43,000)*
Total comprehensive income for the year		**(892,220)**	*(2,150,729)*
Total comprehensive income for the year attributable to:			
Owners of the parent Company		**(1,214,539)**	*(2,107,729)*
		(1,214,539)	*(2,107,729)*

The notes on pages 26 to 62 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	15		**8,953,518**		*7,769,437*
			8,953,518		*7,769,437*
Current assets					
Stocks	17	**9,277,756**		*7,713,241*	
Debtors: amounts falling due within one year	18	**10,572,792**		*11,620,634*	
Cash at bank and in hand	19	**3,581,792**		*1,307,831*	
		23,432,340		*20,641,706*	
Creditors: amounts falling due within one year	20	**(15,621,871)**		*(11,570,365)*	
Net current assets			**7,810,469**		*9,071,341*
Total assets less current liabilities			**16,763,987**		*16,840,778*
Creditors: amounts falling due after more than one year	21		**(612,242)**		*(690,093)*
Provisions for liabilities					
Deferred taxation	24	**(269,769)**		*(208,188)*	
Other provisions	25	**(1,551,892)**		*(948,193)*	
			(1,821,661)		*(1,156,381)*
Net assets excluding pension asset			**14,330,084**		*14,994,304*
Pension asset	30		**-**		*228,000*
Net assets			**14,330,084**		*15,222,304*

CONSOLIDATED BALANCE SHEET (CONTINUED) AS AT 31 MARCH 2022

	Note	2022 £	*2021 £*
Capital and reserves			
Called up share capital	26	**5,245,082**	*5,245,082*
Share premium account	27	**7,689,935**	*7,689,935*
Revaluation reserve	27	**554,319**	*-*
Capital redemption reserve	27	**206,063**	*206,063*
Other reserves	27	**678,000**	*678,000*
Profit and loss account	27	**(43,315)**	*1,403,224*
Equity attributable to owners of the parent Company		**14,330,084**	*15,222,304*
		14,330,084	*15,222,304*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 March 2023.

G Brown
Director

The notes on pages 26 to 62 form part of these financial statements.

TEX GROUP LIMITED
REGISTERED NUMBER: 00405838

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	15		**73,658**		*77,670*
Investments	16		**1,596,750**		*1,713,752*
			1,670,408		*1,791,422*
Current assets					
Debtors: amounts falling due after more than one year	18	**7,821,577**		*6,774,464*	
Debtors: amounts falling due within one year	18	**1,412,484**		*3,067,479*	
Cash at bank and in hand	19	**2,661,951**		*335,776*	
		11,896,012		*10,177,719*	
Creditors: amounts falling due within one year	20	**(206,964)**		*(1,057,291)*	
Net current assets			**11,689,048**		*9,120,428*
Total assets less current liabilities			**13,359,456**		*10,911,850*
Net assets excluding pension asset			**13,359,456**		*10,911,850*
Pension asset	30		-		*228,000*
Net assets			**13,359,456**		*11,139,850*

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

	Note		2022 £		2021 £
Capital and reserves					
Called up share capital	26		**5,245,082**		*5,245,082*
Share premium account	27		**7,689,935**		*7,689,935*
Capital redemption reserve	27		**206,063**		*206,063*
Other reserves	27		**977,000**		*977,000*
Profit and loss account brought forward		**(2,978,230)**		*2,571,066*	
Profit/(loss) for the year		**2,451,606**		*(5,126,170)*	
Other changes in the profit and loss account		**(232,000)**		*(423,126)*	
Profit and loss account carried forward			**(758,624)**		*(2,978,230)*
			13,359,456		*11,139,850*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 March 2023.

G Brown
Director

The notes on pages 26 to 62 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 April 2021	5,245,082	7,689,935	206,063	-	678,000	1,403,224	15,222,304
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(1,214,539)	(1,214,539)
Actuarial losses on pension scheme	-	-	-	-	-	(232,000)	(232,000)
Surplus on revaluation of freehold property	-	-	-	554,319	-	-	554,319
Total comprehensive income for the year	-	-	-	554,319	-	(1,446,539)	(892,220)
Total transactions with owners	-	-	-	-	-	-	-
At 31 March 2022	5,245,082	7,689,935	206,063	554,319	678,000	(43,315)	14,330,084

The notes on pages 26 to 62 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2020	635,145	2,889,935	16,000	678,000	3,934,079	8,153,159
Comprehensive income for the period						
Loss for the period	-	-	-	-	(2,107,729)	(2,107,729)
Actuarial losses on pension scheme	-	-	-	-	(43,000)	(43,000)
Total comprehensive income for the period	-	-	-	-	(2,150,729)	(2,150,729)
Shares issued during the period	4,800,000	4,800,000	-	-	-	9,600,000
Shares redeemed during the period	(190,063)	-	190,063	-	(380,126)	(380,126)
Total transactions with owners	4,609,937	4,800,000	190,063	-	(380,126)	9,219,874
At 31 March 2021	5,245,082	7,689,935	206,063	678,000	1,403,224	15,222,304

The notes on pages 26 to 62 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2021	5,245,082	7,689,935	206,063	977,000	(2,978,230)	11,139,850
Comprehensive income for the period						
Profit for the year	-	-	-	-	2,451,606	2,451,606
Actuarial losses on pension scheme	-	-	-	-	(232,000)	(232,000)
Total comprehensive income for the year	-	-	-	-	2,219,606	2,219,606
At 31 March 2022	5,245,082	7,689,935	206,063	977,000	(758,624)	13,359,456

The notes on pages 26 to 62 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2020	**635,145**	**2,889,935**	**16,000**	**977,000**	**2,571,066**	**7,089,146**
Comprehensive income for the period						
Loss for the period	-	-	-	-	(5,126,170)	(5,126,170)
Actuarial losses on pension scheme	-	-	-	-	(43,000)	(43,000)
Total comprehensive income for the period	-	-	-	-	(5,169,170)	(5,169,170)
Contributions by and distributions to owners						
Shares issued during the period	4,800,000	4,800,000	-	-	-	9,600,000
Other movement	(190,063)	-	190,063	-	(380,126)	(380,126)
Total transactions with owners	4,609,937	4,800,000	190,063	-	(380,126)	9,219,874
At 31 March 2021	5,245,082	7,689,935	206,063	977,000	(2,978,230)	11,139,850

The notes on pages 26 to 62 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	**(1,214,539)**	*(2,107,729)*
Adjustments for:		
Depreciation of tangible assets	**1,330,360**	*1,691,988*
Revaluation of fixed assets	**-**	*11,900*
Profit / (Loss) on disposal of tangible assets	**13,606**	*(8,567)*
Interest paid	**66,713**	*660,984*
Interest received	**(4,002)**	*(9,000)*
Taxation charge	**44,223**	*(111,060)*
(Increase) in stocks	**(1,564,515)**	*(780,130)*
Decrease/(increase) in debtors	**1,047,842**	*(1,120,197)*
Increase in creditors	**1,679,930**	*1,417,983*
Increase in provisions	**603,699**	*459,018*
Corporation tax received/(paid)	**6,936**	*(26,597)*
Net cash generated from operating activities	**2,010,253**	*78,593*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(2,024,000)**	*(1,319,426)*
Sale of tangible fixed assets	**50,272**	*37,058*
Interest received	**2**	*9,000*
Net cash from investing activities	**(1,973,726)**	*(1,273,368)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from financing activities		
Issue of ordinary shares	-	9,600,000
Purchase of ordinary shares	-	(380,127)
Repayment of loans	(500,000)	(7,097,785)
Repayment of/new finance leases	(136,100)	(247,714)
Interest paid	(66,713)	(660,984)
Net cash used in financing activities	(702,813)	1,213,390
Net (decrease)/increase in cash and cash equivalents	(666,286)	18,615
Cash and cash equivalents at beginning of year	1,035,621	1,017,006
Cash and cash equivalents at the end of year	369,335	1,035,621
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,581,792	1,307,831
Bank overdrafts	(3,212,457)	(272,210)
	369,335	1,035,621

The notes on pages 26 to 62 form part of these financial statements.

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022

	At 1 April 2021 £	Cash flows £	New finance leases £	Other non-cash changes £	At 31 March 2022 £
Cash at bank and in hand	1,307,831	2,258,961	-	-	3,566,792
Bank overdrafts	(272,210)	(2,940,247)	-	-	(3,212,457)
Debt due within 1 year	(503,296)	500,000	-	3,296	-
Finance leases	(1,249,863)	395,310	(259,210)	-	(1,113,763)
	(717,538)	214,024	(259,210)	3,296	(759,428)

The notes on pages 26 to 62 form part of these financial statements.

1. General information

Tex Group Limited (the "Company" or the "Parent") is a private limited company limited by shares incorporated and domiciled in England and Wales. The registered office is at Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL.

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 Company and consolidated financial statements have been prepared and approved by the Directors in accordance with FRS102.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been prepared under GBP and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

The parent Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS102 " The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2019.

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The directors have prepared cash flow forecasts for the group for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Edward Le Bas Limited providing continuing financial support during that period. Edward Le Bas Limited has indicated its intention to continue to make available such funds as are needed by the company, for the period covered by the forecasts.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses are presented in profit or loss within administrative expenses.

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

BSP TEX Limited - Turnover from the design and manufacture of piling and drilling equipment is recognised on despatch to the customer. Where the Company is contractually bound to hold stock for a customer, turnover is recognised once the product has been manufactured. Turnover from the manufacture and sale of road-making and associated equipment is recognised on despatch to the customer.

G&M EURO TEX Limited - Turnover from the design and assembly of bespoke diesel-powered electrical generator sets is recognised on successful completion of the relevant factory acceptance test of the product. Turnover from marine diesel engine and govenor rebuilding and parts supply is recognised on completion of the product. Turnover from technical support, engineering and procurement services is recognised over time as performance milestones are completed.

QK TEX Limited - Turnover from the manufacture and sale of lightweight boards and panels is recognised on delivery to the customer.

Tex ATC Limited - Turnover on longer term contracts is recognised on milestones as and when they are completed. The company sells air traffic control towers that it ships to the customers location. The company sometimes are involved in the installation and other contracts it is supply only. Turnover from the design and manufacture of bespoke modular structures is recognised on despatch to the customer.

2. Accounting policies (continued)

2.5 Turnover (continued)

Tex Plastics Limited - Turnover from precision injection moulding is recognised when the goods are despatched. Turnover from assembly and finishing services and tooling procurement is recognised over time, using the output method to measure revenue, as performance milestones are satisfied.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

2.9 Government grants

Grants of a revenue nature are recognised in the Consolidated profit and loss account in the same period as the related expenditure.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.16 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.16 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- 50 years
Long-term leasehold property	- life of lease
Plant and machinery	- 3 to 15 years
Motor vehicles	- 4 years
Fixtures and fittings	- 2 to 10 years
Office equipment	- 5 to 10 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.17 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.18 Impairment of fixed assets

Assets that are subject to depreciation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2. Accounting policies (continued)

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.20 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis for the Plastics and Panelling divisions and on the weighted average basis for the Engineering and Air Traffic Control divisons. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.21 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.22 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.23 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.24 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2. Accounting policies (continued)

2.25 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.26 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.27 Provision for dilapidations

The Group contacts landlords and asks for estimations of dilapidation costs. For Tex Plastics Limited, a surveyor was employed to estimate dilapidation costs. Where the landlord indicates that no dilapidations are applicable if the lease is renewed on the same terms, then no provision is made.

Where an estimate is obtained for the costs, this is used to estimate a dilpidation provision.

2.28 Intra-group financial instruments

Where the company enters into financial guarantee 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 payment under the guarantee.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following have had the most significant effect on amounts recognised in the financial statements.

Loans to Group undertakings

The Parent Company assesses the impairment of loans to its subsidiary undertakings. Future cash flow estimates for each subsidiary are discounted and are based on management expectations about future operations, primarily comprising estimates about profitability, capital expenditures and hence cash generation. Changes in these estimates could impact the recoverable values of the loans, the resultant impairment charge and hence the amount of retained earnings available for distribution by the Parent Company.

The carrying value of the loans in Tex Group Limited was £9,825,360 at 31 March 2022 (31 March 2021 : £9,713,979).

Dilapidation provision

The Group contacted surveyors and landlords to assess the properties for dilapidation. The surveyors and landlords suggested values that would be required in order to bring the properties to a good standard and this has been included in the provision this year.

The carrying amount of the dilapidation provision at 31 March 2022 is £1,032,357 (31 March 2021 : £948,193).

Investment in subsidiaries

Judgement was applied to calculate the value in use for each of the subsidiaries by Tex Group Limited. Cash flows were estimated for a period of 10 years and discounted back using an interest rate of 7.5% which is the current intercompany loan rate. The value was then assessed as to whether it was a positive or negative net present value. If positive then no impairment is deemed to have occured but where the net present value of cash flows was negative, an impairment provision was put against the investment value.

The carrying value of the investments at 31 March 2022 is £1,596,752 (31 March 2021 : £1,713,752).

Tangible fixed assets

Management estimation is required to determine the useful economic life and residual value of each asset in order to calculate the depreciation charge. Management estimation is also required in order to value the properties at the latest market value. Management base the value in the financial statements upon valuations carried out close to the year end by qualified valuers.

Stock valuation and overhead absorption

The Group reviews the valuation of the stock by ensuring that it is valued at the lower of cost and net realisable value. The stock systems in the group are systematically updated with the latest cost for stock purchases.

3. Judgments in applying accounting policies (continued)

Defined benefit pension scheme

The schemes' liabilities are derived by estimating the ultimate cost of benefits payable by the schemes and reflecting the discounted value of the proportion accrued by the year end in the Statement of Financial Position. In order to arrive at these estimates, a number of key financial and non-financial assumptions are made by management, changes to which could have a material impact upon the net deficit and also the net cost recognised in the profit and loss account. The principal assumptions relate to the rate of inflation, mortality and the discount rate. The assumed rate of inflation is important because this affects the rate at which salaries grow and therefore the size of the pension that employees receive upon retirement. Over the longer term, rates of inflation can vary significantly.

The overall benefits payable by the schemes will also depend upon the length of time members of the schemes live for the they remain alive, the higher the cost of pension benefits to be met by the schemes. Assumptions are made regarding the expected lifetime of the scheme's members, based upon recent national experience. However given the rates of advance in medical science, it is uncertain whether these assumptions will prove to be accurate in practice.

The rate used to discount the resulting cash flows is equivalent to the market yield at the Statement of Financial Position date on UK government securities with a similar duration to the scheme liabilities. This rate is potentially subject to significant variation. The net cost recognised in the profit and loss account is also affected by the return on the schemes' assets. The impact of the pension estimates on the Company's accounts can be seen in note 30.

The carrying value of any pension scheme asset is restricted to the extent that the Company is able to recover the surplus through reduced contributions in future or through refunds from the scheme. The directors have determined that the pension scheme surplus of £2,800,000 was not recognised as an asset because they consider the Company does not have unconditional right because of the ability of the Trustees to influence the most appropriate use of any surplus.

4. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Plastics	**22,985,881**	*28,498,386*
Engineering	**14,923,982**	*15,292,885*
Boards and Panels	**4,835,450**	*4,061,450*
	42,745,313	*47,852,721*

Analysis of turnover by country of destination:

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
United Kingdom	**34,447,033**	*40,205,194*
Rest of Europe	**3,837,263**	*3,367,023*
Rest of the world	**4,461,017**	*4,280,504*
	42,745,313	*47,852,721*

5. Other operating income

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Government grants receivable	**30,742**	*1,203,185*
	30,742	*1,203,185*

During the period, £30,742 (15 months ended 31 Mar 2021: £1,203,185) of Covid-19 support was received from the UK government under the Coronavirus Job Retention Scheme.

6. Operating loss

The operating loss is stated after charging:

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Research & development charged as an expense	**6,730**	*55,725*
Exchange differences	**8,619**	*(131,448)*
Other operating lease rentals	**638,704**	*1,003,321*
Rentals receivable under operating leases	**-**	*(98,837)*
Depreciation	**1,330,360**	*1,655,122*
Fixed asset impairment	**-**	*11,900*
Profit/(loss) on disposal of fixed assets	**13,606**	*(8,567)*

7. Auditors' remuneration

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**17,000**	*5,000*
Audit of financial statements of subsidiaries	**103,000**	*295,000*

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance services	**7,450**	*7,450*
	7,450	*7,450*

8. Employees

Staff costs, including directors' remuneration, were as follows:

The average monthly number of employees, including the directors, during the year was as follows:

	Group Year ended 31 March 2022 No.	*Group 15 months ended 31 March 2021 No.*	**Company Year ended 31 March 2022 No.**	*Company 15 months ended 31 March 2021 No.*
Sales and administration	**119**	*137*	*14*	*14*
Manufacturing	**292**	*319*	-	-
Service/Distribution	**-**	*9*	-	-
	411	*465*	*14*	*14*

The aggregate payroll costs of these persons were as follows:

	Group Year ended 31 March 2022 £	**Group Period ended 31 March 2021 £**	**Company Year ended 31 March 2022 £**	**Company period ended 31 March 2021 £**
Wages and salaries	**11,516,952**	**13,983,862**	**791,000**	**884,992**
Social security costs	**1,091,340**	**1,217,770**	**91,533**	**87,908**
Cost of defined contribution scheme	**315,437**	**419,509**	**30,215**	**62,631**
	12,923,729	**15,621,141**	**912,748**	**1,035,531**

9. Directors' remuneration

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Directors' emoluments	**572,671**	*366,681*
Group contributions to defined contribution pension schemes	**11,600**	*52,158*
	584,271	*418,839*

During the year retirement benefits were accruing to 3 directors *(2021 - 3)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £137,220 *(2021 - £85,880)*.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL *(2021 - £3,500)*.

10. Interest receivable

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Other interest receivable	**2**	-
	2	-

11. Interest payable and similar expenses

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Bank interest payable	**4,390**	*586,074*
Finance leases and hire purchase contracts	**62,323**	*74,910*
	66,713	*660,984*

12. Other finance costs

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Interest income on pension scheme assets	**4,000**	*9,000*
	4,000	*9,000*

13. Taxation

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Corporation tax		
Current tax on profits for the year	**(17,358)**	*(46,220)*
Adjustments in respect of previous periods	**-**	*(33,600)*
	(17,358)	*(79,820)*
Total current tax	**(17,358)**	*(79,820)*
Deferred tax		
Origination and reversal of timing differences	**61,581**	*(31,240)*
Total deferred tax	**61,581**	*(31,240)*
Taxation on profit/(loss) on ordinary activities	**44,223**	*(111,060)*

13. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Loss on ordinary activities before tax	**(1,170,316)**	*(2,218,789)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**(222,360)**	*(421,570)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**69,129**	*171,317*
Fixed asset differences	**(102,666)**	*148,802*
Adjustments to tax charge in respect of prior periods	**(9,442)**	*(33,600)*
Remeasurement of deferred tax for changes in tax rates	**64,744**	-
Deferred tax not recognised	**232,715**	-
Movement in deferred tax	-	*52,903*
Other differences leading to an increase (decrease) in the tax charge	**12,103**	*(28,912)*
Total tax charge for the year/period	**44,223**	*(111,060)*

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the 2021 Budget on 3 March 2021. This included an increase to the main rate to increase the rate from 19% to 25% from 1 April 2023. The company will be taxed at a rate of 25% unless its taxable profits are sufficiently low enough to qualify for a lower rate of tax, the lowest rate being 19%. Deferred taxes at the balance sheet date have been measured using tax rates between 19% and 25% to reflect the rate the timing difference is likely to unwind and are reflected in these financial statements.

14. Exceptional items

	Year ended 31 March 2022 £	*15 months ended 31 March 2021 £*
Restructuring costs	**77,571**	-
Increase in dilapidations provision	**64,164**	*293,798*
Compliance provision	**343,445**	-
Write off of prepayment of finance charges	-	*376,515*
	485,180	*670,313*

The restructuring costs include those relating to QK TEX Limited and the closure of the Stowmarket factory and also BSP TEX redundancies relating to the closure of the Chorley site.

Tex Plastics Limited requested a surveyor to check the dilapidations again at 31 March 2022 and so there has been an increase in relation to the property at Derby.

Tex Plastics Limited have put in a provision to cover a potential liability from HMRC in relation to National Minimum Wage requirements. This has not been concluded on by HMRC and so we do not know for certain the liability that may arise.

15. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation								
At 1 April 2021	2,266,976	1,654,645	75,515	20,496,310	230,077	715,165	69,902	25,508,590
Additions	377,643	6,799	-	1,589,027	-	48,032	2,499	2,024,000
Disposals	-	-	-	(1,360,533)	(14,513)	(76,555)	-	(1,451,601)
Revaluations	170,381	-	-	-	-	-	-	170,381
At 31 March 2022	2,815,000	1,661,444	75,515	20,724,804	215,564	686,642	72,401	26,251,370
Depreciation								
At 1 April 2021	340,673	610,974	61,724	15,904,027	153,464	668,291	-	17,739,153
Charge for the year on owned assets	43,265	24,184	5,122	734,952	10,643	32,751	14,402	865,319
Charge for the year on financed assets	-	-	-	452,601	12,440	-	-	465,041
Disposals	-	-	-	(1,311,013)	(9,972)	(66,738)	-	(1,387,723)
Transfers between classes	-	-	-	-	(8,518)	8,518	-	-
On revalued assets	(383,938)	-	-	-	-	-	-	(383,938)
At 31 March 2022	-	635,158	66,846	15,780,567	158,057	642,822	14,402	17,297,852

15. Tangible fixed assets (continued)

Net book value								
At 31 March 2022	**2,815,000**	**1,026,286**	**8,669**	**4,944,237**	**57,507**	**43,820**	**57,999**	**8,953,518**
At 31 March 2021	*1,926,303*	*1,043,671*	*13,791*	*4,592,283*	*76,613*	*46,874*	*69,902*	*7,769,437*

15. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2022	*2021*
	£	*£*
Freehold	**2,815,000**	*1,926,303*
Long leasehold	**1,026,286**	*1,043,671*
Short leasehold	**8,669**	*13,792*
	3,849,955	*2,983,766*

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022	*2021*
	£	*£*
Plant and machinery	**2,016,490**	*2,748,278*
Motor vehicles	**-**	*67,861*
	2,016,490	*2,816,139*

IIt was decided to revalue the group's properties at Stowmarket and Brigg at 31 March 2022 and so Brigg has been valued at £2m (as per the professional valuation from PPH Commercial dated 1 February 2022) and Stowmarket has been valued at £815k (as per the professional valuation from Savills dated 13 April 2022). Post year end the property at Stowmarket has been sold to a related company Edward Le Bas Properties Limited for £675k.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2022	*2021*
	£	*£*
Group		
Cost	**2,644,618**	*2,266,976*
Accumulated depreciation	**(383,938)**	*(340,673)*
Net book value	**2,260,680**	*1,926,303*

15. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	**10,400**	**75,183**	**69,902**	**155,485**
Additions	**6,799**	**9,293**	**2,499**	**18,591**
At 31 March 2022	**17,199**	**84,476**	**72,401**	**174,076**
Depreciation				
At 1 April 2021	**10,400**	**67,415**	**-**	**77,815**
Charge for the year on owned assets	**1,360**	**6,841**	**14,402**	**22,603**
At 31 March 2022	**11,760**	**74,256**	**14,402**	**100,418**
Net book value				
At 31 March 2022	**5,439**	**10,220**	**57,999**	**73,658**
At 31 March 2021	*-*	*7,768*	*69,902*	*77,670*

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	3,390,992
At 31 March 2022	3,390,992
Impairment	
At 1 April 2021	1,677,242
Charge for the period	117,000
At 31 March 2022	1,794,242
Net book value	
At 31 March 2022	1,596,750
At 31 March 2021	*1,713,750*

16. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
BSP TEX Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%
Tex Engineering Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%
Eurotex International Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%
G&M EURO TEX Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%
TEX ATC Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%
Tex Air Traffic Control Rooms Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%
Tex Special Projects Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%
Tex Plastics Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%
Tex Plastics (Barnstaple) Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%
QK TEX Limited	Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, Suffolk, IP6 0NL	Ordinary	100%

17. Stocks

	Group 2022 £	*Group 2021 £*
Raw materials and consumables	**4,714,394**	*3,689,604*
Work in progress	**3,376,854**	*2,824,594*
Finished goods and goods for resale	**1,186,508**	*1,199,043*
	9,277,756	*7,713,241*

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Impairment losses totalling £215,584 (2021: £666,977) were recognised in profit and loss for the Group. No impairment loss was recognised for the Company.

18. Debtors

	Group 2022 £	*Group 2021 £*	Company 2022 £	*Company 2021 £*
Amounts due in more than one year				
Amounts owed by group undertakings	-	-	**7,821,577**	*6,774,464*
	-	-	**7,821,577**	*6,774,464*

	Group 2022 £	*Group 2021 £*	Company 2022 £	*Company 2021 £*
Amounts due within one year				
Trade debtors	**9,230,783**	*8,179,649*	**6,200**	*24,008*
Amounts owed by group undertakings	-	*2,300,000*	**1,231,973**	*2,939,525*
Other debtors	**91,947**	*398,906*	-	-
Called up share capital not paid	**30,000**	*30,000*	-	-
Prepayments and accrued income	**1,220,062**	*712,079*	**174,311**	*103,946*
	10,572,792	*11,620,634*	**1,412,484**	*3,067,479*

19. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	**3,581,792**	*1,307,831*	**2,661,951**	*335,776*
Less: bank overdrafts	**(3,212,457)**	*(272,210)*	**-**	*-*
	369,335	*1,035,621*	**2,661,951**	*335,776*

20. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank overdrafts	**3,212,457**	*272,210*	**-**	*-*
Bank loans	**-**	*500,000*	**-**	*500,000*
Payments received on account	**2,310,966**	*1,717,537*	**-**	*-*
Trade creditors	**4,327,555**	*4,549,962*	**34,682**	*122,534*
Amounts owed to group undertakings	**-**	*-*	**598**	*161,435*
Corporation tax	**-**	*10,422*	**-**	*9,956*
Other taxation and social security	**813,574**	*1,262,539*	**31,421**	*23,662*
Obligations under finance lease and hire purchase contracts	**501,521**	*559,770*	**-**	*-*
Other creditors	**433,477**	*294,839*	**-**	*-*
Accruals and deferred income	**4,022,321**	*2,403,086*	**140,263**	*239,704*
	15,621,871	*11,570,365*	**206,964**	*1,057,291*

The following liabilities were secured:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loan	**-**	*500,000*	**-**	*500,000*
Obligations under finance lease and hire purchase contracts	**501,521**	*559,770*	**-**	*-*
	501,521	*1,059,770*	**-**	*500,000*

Details of security provided:

The obligations under finance lease and hire purchase contracts are secured on the assets concerned.

21. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £
Net obligations under finance leases and hire purchase contracts	**612,242**	*690,093*
	612,242	*690,093*

The following liabilities were secured:

	Group 2022 £	Group 2021 £
Net obligations under finance leases and hire purchase contracts	**612,242**	*690,093*
	612,242	*690,093*

Details of security provided:

The obligations under finance lease and hire purchase contracts are secured on the assets concerned.

22. Loans

	Group 2022 £	*Group 2021 £*	Company 2022 £	*Company 2021 £*
Amounts falling due within one year				
Bank loans	-	*500,000*	-	*500,000*
	-	*500,000*	-	*500,000*

The bank loan with NatWest was repaid in full on 6 April 2021.

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	*Group 2021 £*
Within one year	**501,521**	*570,023*
Between 1-5 years	**612,242**	*732,422*
	1,113,763	*1,302,445*

24. Deferred taxation

Group

	2022 £	*2021 £*
At beginning of year	**(208,188)**	*(239,428)*
Charged to profit or loss	**(61,581)**	*31,240*
At end of year	**(269,769)**	*(208,188)*

24. Deferred taxation (continued)

	2021
At beginning of year	*(70,000)*
Charged to profit or loss	*70,000*
At end of year	*-*

The provision for deferred taxation is made up as follows:

	Group 2022 £	*Group 2021 £*
Accelerated capital allowances	**(562,637)**	*(208,188)*
Tax losses carried forward	**170,779**	*-*
Other short term timing differences	**122,089**	*-*
	(269,769)	*(208,188)*

25. Provisions

Group

	Dilapidation provision £	Warranty provision £	Compliance provision £	Total £
At 1 April 2021	948,193	-	-	948,193
Charged to profit or loss	84,164	176,090	343,445	603,699
At 31 March 2022	1,032,357	176,090	343,445	1,551,892

The dilapidation provision is calculated by taking a surveyor's estimates of costs to put the buildings back to the position they need to be on completion of the lease. At the moment the provision relates £962,581 in relation to Tex Plastics Limited - Derby site and £69,776 in relation to BSP TEX Limited - Chorley site.

The nature of the payment would be that the landlord would expect payment if notice was given on any of the properties. This would be negotiated by the Directors of the company. At the moment, no expected amount is expected to be paid as we keep the properties repaired on a regular basis. We do not expect the payments to be made in the short-term, as the leases run to 2061 (earliest renewal date). There is uncertainty as to the timing of outflows in relation to this.

The Warranty Provision relates to BSP TEX Limited where warranties are offered to customers for a period of one year. This is calculated by looking at historic rates of payments made in comparision to levels of turnover and then applied to the previous twelve months revenue.

The Compliance Provision relates to Tex Plastics Limited in relation to the National Minimum Wage enquiry ongoing with HM Revenue and Customs. This is a best estimate of potential liability.

26. Share capital

	2022 £	*2021* *£*
Allotted, called up and fully paid		
52,450,819 *(2021 - 52,450,819)* Ordinary shares of £0.10 each	**5,245,082**	*5,245,082*

Share capital represents the nominal value of shares issued, shares carry voting rights and an entitlement to dividends.

27. Reserves

Share premium account

Amounts subscribed for share capital in excess of nominal value.

Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluations of tangible fixed assets where a policy of revaluation has been adopted.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the Company and cancelled.

Other reserves

This relates to a reclassification from distributable reserves that occurred on 1 January 2017 of £678,000.

Profit and loss account

Cumulative net gains and losses recognised in the Statement of Comprehensive Income; net of dividends paid.

28. Contingent liabilities

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.

29. Capital commitments

At 31 March 2022 the Group and Company had capital commitments as follows:

	Group 2022 £	*Group 2021 £*
Contracted for but not provided in these financial statements	**76,833**	*197,523*

30. Pension commitments

The Group operates a Defined benefit pension scheme.

This is a seperate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 5 April 2019 and updated to 31 March 2022 by a qualified actuary, independent of the scheme's sponsering employer. The major assumptions used by the actuary are shown below.

The most recent actuarial valuation showed a surplus of £2.8m. The company has agreed with the trustees that it will meet expenses of the scheme and levies to the Pension Protection Fund. It has been agreed that an asset ceiling of £2.8m will be applied in order to reflect the pension scheme asset at £nil.

Reconciliation of present value of plan liabilities:

	2022	*2021*
	£	*£*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**14,488,000**	*14,838,000*
Interest cost	**283,000**	*363,000*
Actuarial gains	**(1,228,000)**	*(26,000)*
Benefits paid	**(722,000)**	*(730,000)*
Losses due to benefit changes	**-**	*43,000*
At the end of the year	**12,821,000**	*14,488,000*

The English High Court ruling in Lloyds Banking Group Pension Trustees Limited v Lloyds Bank plc and others was published on 26 October 2018, and held that UK pension schemes with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The case also gave some guidance on related matters, including the methods for equalisation.

The trustees of the scheme will need to obtain legal advice covering the impact of the ruling on this scheme, before deciding with the employer on the method to adopt. An allowance for the additional liabilities as a result of this ruling is included within the defined benefit obligation.

The defined benefit cost for the year ending on the 31 March 2022 includes a past service cost due to a plan amendment of £nil (31 March 2021 : £43,000). This has arisen following a High Court case on 20 November 2020 which ruled that transfers out of the Plan, between 17 May 1990 and 28 October 2018, need to be revisited and equalised for GMP (if applicable).

30. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2022 £	2021 £
At the beginning of the year	**14,716,000**	*15,206,000*
Interest income	**287,000**	*372,000*
Actuarial gains / (losses)	**1,340,000**	*(132,000)*
Benefits paid	**(722,000)**	*(730,000)*
At the end of the year	**15,621,000**	*14,716,000*

Composition of plan assets:

	2022 £	2021 £
Equities	**14,119,000**	*12,897,000*
Bonds	**937,000**	*1,007,000*
Cash	**565,000**	*812,000*
Total plan assets	**15,621,000**	*14,716,000*

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the company.

	2022 £	2021 £
Amounts recognised in the statement of financial position		
Fair value of plan assets	**15,621,000**	*14,716,000*
Present value of plan liabilities	**(12,821,000)**	*(14,488,000)*
Effect of asset ceiling	**(2,800,000)**	*-*
Net pension scheme asset	**-**	*228,000*

30. Pension commitments (continued)

The amounts recognised in profit or loss are as follows:

	2022 £	2021 £
Defined benefit costs recognised in the profit or loss		
Interest income on plan assets	**(4,000)**	*(9,000)*
Losses (gains) due to benefit changes	**-**	*43,000*
Total	**(4,000)**	*34,000*
Defined benefit costs recognised in Other Comprehensive Income		
Actual return on scheme assets	**1,340,000**	*(132,000)*
Experience gains and losses arising on scheme liabilities - (loss) / gain	**(38,000)**	*87,000*
Effect of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities - gain / (loss)	**1,266,000**	*(61,000)*
Changes in asset ceiling (excluding inerest income)	**(2,800,000)**	*-*
	(232,000)	*(106,000)*

The Group expects to contribute £NIL to its Defined benefit pension scheme in 2023.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022 %	2021 %
Discount rate	**2.80**	*2.00*
Inflation assumption	**3.90**	*3.40*
Mortality rates		
- for a male aged 65 now	**21.6**	*21.6*
- at 65 for a male aged 45 now	**22.9**	*22.9*
- for a female aged 65 now	**23.5**	*23.5*
- at 65 for a female member aged 45 now	**25.1**	*25*

31. Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	*Group 2021 £*	**Company 2022 £**	*Company 2021 £*
Not later than 1 year	**1,007,739**	*940,078*	**27,298**	*20,847*
Later than 1 year and not later than 5 years	**2,937,095**	*2,764,947*	**41,957**	*1,951*
Later than 5 years	**2,696,869**	*3,217,783*	**-**	*-*
	6,641,703	*6,922,808*	**69,255**	*22,798*

32. Related party transactions

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

Edward Le Bas Properties Limited, a fellow group company, through which the Group rents properties and machines. Transactions during the year ended 31 March 2022 that require disclosure are detailed below:

Rentals and other property related expenditure	£570,841 (15 months to 31 March 2021: £811,726)
Trade payables	£36,144 (31 March 2021: £20,938)
Rentals of machinery	£128,208 (15 months to 31 March 2021: £160,260)

ARB Burrows has an interest in IS&G Steel Stockholders Limited through which the Group purchases steel. Transactions during the year ended 31 March 2022 that require disclosure are detailed below:

Purchases	£135,800 (15 months to 31 March 2021: £151,321)
Trade payables	£41,746 (31 March 2021: £32,847)

Edward Le Bas Properties Limited, a fellow group company, through which the Group had borrowed a term loan. Transactions during the year ended 31 March 2022 that require disclosure are detailed below:

Interest (8.00%)	£nil (15 months to 31 March 2021: £530,439)

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.

33. Post balance sheet events

On 22 April 2022 Tex Group Limited agreed a facility with Edward Le Bas Limited of £1m at an interest rate of 10% per annum. The loan requires repayment in full when we obtain use of the £1m overdraft facility with HSBC Bank Limited which looks to be in the financial year to 31 March 2024.

On 16 August 2022 Tex Group started to liquidate other dormant entities such as Tex Engineering Limited, Eurotex International Limited, Tex Plastics (Barnstaple) Limited, Tex Holdings International Limited, Tex Special Projects Limited, Tex Air Traffic Control Rooms Limited and QK (Humberside) Limited.

On 26 September 2022 it was announced that the factory at Beccles that was part of BSP TEX Limited would be shutting down as of 31 October 2022. All employees from the factory will be made redundant and profitable work will be moved into the Claydon factory.

34. Controlling party

The company is a subsidiary undertaking of Edward Le Bas Limited incorporated in England and Wales. Edward Le Bas Limited is the immediate parent company and Le Bas Limited is the ultimate parent company.

The ultimate controlling party is the Edward Brocas Burrows 2001 Settlement Trust.

The smallest and largest group in which the results of the company are consolidated is that headed by Le Bas Limited. The consolidated financial statements of these groups are available to the public and may be obtained from Claydon Business Park, Gipping Road, Ipswich, Suffolk, IP6 0NL.