

Tex Plastic Products Limited

Directors' report and financial statements

For the year ended 31 December 2005

Registered number 309549



Directors' report and financial statements

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Directors' report

The directors have pleasure in submitting their Report and the audited financial statements for the year ended 31 December 2005.

Principal activities

The company's principal activities are plastic injection moulding and finishing services.

During the year the Company has performed strongly and achieved its profitability targets. During the year, the toolroom was closed and all future work will be out sourced either within the UK or from Asia.

The Company continues to develop strategic partnerships with key blue chip accounts and to selectively attract new suites of tools. Despite problems in the wider industrial sector, Tex's emphasis on complex technical mouldings, allied to finishing services and customer care programmes, provided some protection from a general trend towards offshore sourcing. Tex is actively looking to augment its offer package by expanding its overseas procurement activities, whilst simultaneously seeking new specialist market niches and technical innovations to retain a competitive edge and stay ahead of the competition.

Results and dividend

Turnover amounted to £6,437,137 (31 December 2004: £4,594,671). Profit on ordinary activities before taxation was £450,293 (31 December 2004: £373,168).

The directors paid a dividend of £300,000 (31 December 2004: £150,000).

Directors and directors' interests

The directors who held office at the end of the financial year had no beneficial interest in the shares of Tex Plastic Products Limited or any other company in the group during the year. The directors who held office at the end of the financial year had the following interests in the ordinary shares of Tex Holdings plc, according to the register of directors' interests:

	Interest at end of year	Interest at start of year or date of appointment
M Q Harrison	N/A	N/A
C T Varley	3,000	3,000
J Davies	-	-
A Clarke	-	-
C Wilcox	-	-
M Avery (Appointed 5 April 2005)	-	-

The interest of M Q Harrison is disclosed in the directors' report of the parent company.

Directors' report (continued.)

Directors and directors' interests

Options have been granted to directors under the Tex Holdings plc executive share option schemes as follows:-

	At start of year	Granted	Exercised or lapsed	At end of year	Exercise price	Market price at date of exercise	Date from which exercisable	Expiry date
C T Varley	3,000	-	(3,000)	-	140.5p	N/A	2003	2005

The market price of Tex Holdings plc shares at 31 December 2005 was 102.0p and the range during the year was 100.0p to 140.0p.

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.

Political and charitable contributions

The group made no political or charitable contributions during the year (31 December 2004: £Nil).

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

M Q Harrison
Director



27/10/06

Claydon Business Park
Gipping Road
Great Blakenham
Ipswich
Suffolk

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG Audit Plc

6 Lower Brook Street
Ipswich
IP4 1AP
United Kingdom

Independent auditors' report to the members of Tex Plastic Products Limited

We have audited the financial statements of Tex Plastic Products Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Tex Plastic Products Limited
(continued)

Opinion

In our opinion the financial statements:

give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

[Date]

30 OCT 2006

Profit and loss account
for the year ended 31 December 2005

	<i>Notes</i>	Year ended 31 December 2005	Nine months ended 31 December 2004 (as restated)
		£	£
Turnover	3	6,437,137	4,594,671
Cost of sales		(4,973,533)	(3,503,302)
		<hr/>	<hr/>
Gross profit		1,463,604	1,091,369
Distribution costs		(152,032)	(94,635)
Administrative expenses		(691,229)	(497,947)
		<hr/>	<hr/>
Operating profit		620,343	498,787
Interest payable and similar charges	7	(170,050)	(125,619)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	4	450,293	373,168
Tax on profit on ordinary activities	8	(137,442)	(108,331)
		<hr/>	<hr/>
Retained profit for the year	16	312,851	264,837
		<hr/>	<hr/>

There are no recognised gains or losses during the current and previous year other than those reflected in the profit and loss account.


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

Balance sheet
at 31 December 2005

	<i>Note</i>	31 December 2005	31 December 2004 (as restated)
		£	£
Fixed assets			
Tangible assets	9	1,043,859	1,163,462
Current assets			
Stocks	10	868,041	672,422
Debtors	11	840,645	1,118,683
Cash at bank and in hand		438,971	222,113
		<u>2,147,657</u>	<u>2,013,218</u>
Creditors: amounts falling due within one year	12	<u>(1,388,744)</u>	<u>(1,225,695)</u>
Net current assets		<u>758,913</u>	<u>787,523</u>
Total assets less current liabilities		<u>1,802,772</u>	<u>1,950,985</u>
Creditors: amounts falling due after more than one year	13	<u>(823,902)</u>	<u>(976,233)</u>
Provisions for liabilities and charges	14	<u>(143,877)</u>	<u>(152,610)</u>
Net assets		<u>834,993</u>	<u>822,142</u>
Capital and reserves			
Called up share capital	15	100,000	100,000
Profit and loss account	16	734,993	722,142
Equity shareholders' funds		<u>834,993</u>	<u>822,142</u>

These financial statements were approved by the board of directors on 27/10/06 and were signed on its behalf by


C Varley
Director


M Q Harrison
Director

Notes to the accounts

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules, modified to include the revaluation of certain assets.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Tex Holdings plc, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Tex Holdings plc, within which this company is included, can be obtained from the address given in note 20.

In these financial statements the following new standards have been adopted for the first time:

FRS 21 'Events after the balance sheet date';

the presentation requirements of FRS 25 'Financial instruments: presentation and disclosure'; and

FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

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

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

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Notes to the accounts (continued)

1 Accounting policies (Continued)

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Post-retirement benefits

The Company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year.

Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold land and buildings	-	25 years
Plant and machinery	-	5 to 15 years
Fixtures and fittings	-	5 to 10 years
Motor vehicles	-	3 years

Leases

An asset acquired under a lease that transfers substantially all the risk and rewards of ownership to the company is capitalised as a tangible fixed asset and depreciated over the shorter of the term of the lease or its useful life. Outstanding obligations due under such leases, net of finance charges, are included as a liability. The finance element of the rental payments is charged to the profit and loss account over the term of the lease. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes to the accounts (continued)

1 Accounting policies (Continued)

Pensions

The company operates both a defined contribution pension scheme and a pension scheme providing benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company in independently administered funds. The amount charged against profits for the defined benefit contribution scheme represents the contributions payable to the scheme in respect of the accounting period. Contributions to the scheme providing benefits based on final pensionable pay, are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2 Prior year adjustment

As detailed in note 1 the Company's balances which have been restated for FRS21 are as follows:

	31 December 2004 (as previously £	Dividends paid £	31 December 2004 (as restated) £
Dividends paid	(150,000)	(150,000)	(300,000)
Proposed dividends	(150,000)	150,000	-
Profit and loss reserve at 31 March 2004	457,305	150,000	607,305
Profit and loss reserve at 31 December 2004	572,142	150,000	722,142

Notes to the accounts (continued)

3 Analysis of turnover

	Year ended 31 December 2005	Nine months ended 31 December 2004
	£	£
<i>By geographical market</i>		
UK	6,006,916	4,423,807
Europe	98,007	21,331
North America	36,643	22,289
South America	295,571	127,244
	<u>6,437,137</u>	<u>4,594,671</u>

4 Profit on ordinary activities before taxation

	Year ended 31 December 2005	Nine months ended 31 December 2004
	£	£
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging / (crediting)</i>		
Auditors' remuneration:		
Audit	4,800	2,945
Other services	-	-
Depreciation and other amounts written off tangible fixed assets:		
Owned	111,095	72,169
Leased	103,716	103,716
Hire of plant and machinery - rentals payable under operating leases	24,472	9,357
Hire of other assets - operating leases	<u>90,000</u>	<u>67,500</u>

Notes to the accounts *(continued)*

5 Remuneration of directors

	Year ended 31 December 2005	Nine months ended 31 December 2004
	£	£
Directors' emoluments	217,144	138,476
Contributions to money purchase pension schemes	8,670	3,668
	<hr/>	<hr/>
	225,814	142,144
	<hr/>	<hr/>

	Number of Directors Year ended 31 December 2005	Nine months ended 31 December 2004
Retirement benefits are accruing to the following number of Directors under:		
Defined contribution schemes	5	4
	<hr/>	<hr/>
The number of directors who exercised share options was	-	-
	<hr/>	<hr/>

The information relating to directors' options may be found under directors' share interests in the directors' report.

Notes to the accounts *(continued)*

6 Staff numbers and costs

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

	Number of employees	
	Year ended 31 December 2005	Nine months ended 31 December 2004
Administration	13	7
Manufacturing	109	107
	<hr/>	<hr/>
	122	114
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2005	Nine months ended 31 December 2004
	£	£
Wages and salaries	1,906,991	1,320,643
Social security costs	174,124	120,749
Other pension costs	14,326	9,932
	<hr/>	<hr/>
	2,095,441	1,451,324
	<hr/>	<hr/>

7 Interest payable and similar charges

	Year ended 31 December 2005	Nine months ended 31 December 2004
	£	£
Amounts payable to group undertakings	164,434	119,734
Finance charges payable in respect of finance leases and hire purchase contracts	5,616	5,885
	<hr/>	<hr/>
	170,050	125,619
	<hr/>	<hr/>

Notes to the accounts (continued)

8 Taxation

Analysis of charge in year

	Year ended 31 December 2005	Nine months ended 31 December 2004
	£	£
<i>UK corporation tax</i>		
Current tax on income for the year	137,584	123,776
Adjustments in respect of prior years	8,591	(5,519)
Total current tax	146,175	118,257
<i>Deferred tax (see note 14)</i>		
Origination/ reversal of timing differences	(8,733)	(9,926)
Adjustment in respect of previous year	-	-
Total deferred tax	(8,733)	(9,926)
Tax on profit on ordinary activities	137,442	108,331

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (31 December 2004: higher) than the standard rate of corporation tax in the UK 30% (31 December 2004: 30%). The differences are explained below.

	Year ended 31 December 2005	Nine months ended 31 December 2004
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	450,293	373,168
Current tax at 30% (31 December 2004: 30%)	135,088	111,950
Effects of:		
Expenses not deductible for tax purposes	1,849	1,900
Capital allowances for year in excess of depreciation	8,733	9,926
Adjustment to tax charge in respect of previous years	505	(5,519)
Total current tax charge (see above)	146,175	118,257

There are no significant factors that may affect future tax charges.

Notes to the accounts (continued)

9 Tangible fixed assets

	Land and buildings short leasehold £	Plant and machinery £	Motor Vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2005	20,000	3,465,875	12,550	101,140	3,599,565
Additions	-	124,029	-	13,226	137,255
Disposals	-	(429,903)	-	-	(429,903)
At 31 December 2005	20,000	3,160,001	12,550	114,366	3,306,917
Depreciation					
At 1 January 2005	20,000	2,316,281	12,550	87,272	2,436,103
Charge for year	-	198,274	-	16,537	214,811
Depreciation on disposals	-	(387,856)	-	-	(387,856)
At 31 December 2005	20,000	2,126,699	12,550	103,809	2,263,058
Net book value					
At 31 December 2005	-	1,033,302	-	10,557	1,043,859
At 31 December 2004	-	1,149,594	-	13,868	1,163,462

Included within the above are assets subject to finance leases with a net book value of £96,223 (31 December 2004: £ 809,942) on which depreciation of £23,677 (31 December 2004: £ 103,716) was charged during the year.

10 Stocks

	31 December 2005 £	31 December 2004 £
Raw materials and consumables	279,337	219,959
Work in progress	84,651	66,967
Finished goods and goods for resale	504,053	385,496
	868,041	672,422

Notes to the accounts *(continued)*

11 Debtors

	31 December 2005	31 December 2004
	£	£
Trade debtors	764,067	1,012,907
Amounts owed by group undertakings	1,263	872
Prepayments and accrued income	75,315	104,904
	<hr/>	<hr/>
	840,645	1,118,683
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	31 December 2005	31 December 2004
	£	£
Payments received on account	87,215	39,306
Obligations under finance leases and hire purchase contracts (see note 13)	36,563	55,792
Trade creditors	664,766	630,057
Amounts due to group undertakings	29,972	38,394
Corporation tax payable	266,315	202,983
Taxation and social security	177,316	133,381
Accruals and deferred income	126,597	125,782
	<hr/>	<hr/>
	1,388,744	1,225,695
	<hr/>	<hr/>

Notes to the accounts *(continued)*

13 Creditors: amounts falling due after more than one year

	31 December 2005	31 December 2004
	£	£
Amount due to group undertakings	795,771	910,771
Obligations under finance leases and hire purchase contracts	28,131	65,462
	<hr/>	<hr/>
	823,902	976,233
	<hr/>	<hr/>

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	31 December 2005	31 December 2004
	£	£
Within one year	36,563	55,792
In the second to fifth years	28,131	65,462
	<hr/>	<hr/>
	64,694	121,254
	<hr/>	<hr/>

14 Provisions for liabilities and charges

	Deferred taxation £
At 1 January 2005	152,610
Credit for the year	(8,733)
	<hr/>
At 31 December 2005	143,877
	<hr/>

The elements of deferred taxation are as follows:

	31 December 2005	31 December 2004
	£	£
Difference between accumulated depreciation and capital allowances	143,877	152,610
	<hr/>	<hr/>
Deferred tax liability	143,877	152,610
	<hr/>	<hr/>

Notes to the accounts *(continued)*

15 Called up share capital

	31 December 2005 £	31 December 2004 £
<i>Authorised</i>		
Equity: 100,000 Ordinary shares of £1 each (31 December 2004: 100,000)	100,000	100,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Equity: 100,000 Ordinary shares of £1 each (31 December 2004: 100,000)	100,000	100,000
	<hr/>	<hr/>

16 Reconciliation of equity shareholders' funds

	Share capital £	Profit and loss account £	Total £
At 1 January 2005	100,000	722,142	822,142
Retained profit for the year	-	312,851	312,851
Dividends paid	-	(300,000)	(300,000)
	<hr/>	<hr/>	<hr/>
At 31 December 2005	100,000	734,993	834,993
	<hr/>	<hr/>	<hr/>

17 Contingent liabilities

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

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

(i) the liabilities of each and every one of the joint guarantors of the group overdraft facility which at 31 December 2005 was being utilised by other group companies to the extent of £ Nil (31 December 2004: £Nil);

(ii) other banking facilities in respect of documentary credits, indemnities, guarantees, etc. entered into as part of the ordinary course of the group's businesses, which at 31 December 2005 amounted to £Nil (31 December 2004: £Nil).

Notes to the accounts *(continued)*

18 Commitments

- (a) Company capital commitments at the end of the financial year for which no provision has been made, are as follows:

	31 December 2004 £	31 December 2004 £
Contracted	-	-

- (b) Annual commitments under non-cancellable operating leases are as follows:

	31 December 2005		31 December 2004	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	-	-	4,408
In the second to fifth years inclusive	90,000	11,496	90,000	-
After more than five years	-	-	-	7,938
	<u>90,000</u>	<u>11,496</u>	<u>90,000</u>	<u>12,346</u>

Notes to the accounts *(continued)*

19 Pension schemes

Defined benefit scheme

The company is part of a group pension scheme providing benefits based on final pensionable pay. The scheme has been closed to new members and has been closed to benefit accruals from 6 April 2002. The assets of the scheme are held separately from those of the company in trustee administered funds. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The level of contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent actuarial valuation was at 6 April 2004.

Further details regarding the scheme and the most recent actuarial valuation are set out in the accounts of Tex Holdings plc.

The pension cost charge for the year represents contributions payable by the company to this scheme and amounted to £9,614 (31 December 2004: £7,211). No provisions or prepayments are included within the accounts of the company as a result of a difference between the amounts recognised as cost and the amounts funded or paid directly.

Whilst the disclosure and measurement principles of SSAP 24 "Accounting for pension costs" have been applied in accounting for pension benefits in these financial statements, FRS 17 "Retirement benefits" introduces new disclosure and measurement principles. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis as permitted by FRS 17 "Retirement benefits" the scheme will be accounted for by the company when the accounting standard is fully adopted by the company, in these financial statements as if the scheme was a defined contribution scheme.

The Company is a member of a group pension scheme providing benefits based on final pensionable pay. Because the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme.

The latest full actuarial valuation was carried out at 6 April 2004 and was updated for FRS 17 purposes to 2004 and 2005 by a qualified independent actuary.

Defined contribution scheme

The final salary scheme has been replaced with a group personal pension plan. Eligible employees take out an individual contract with Standard Life to which the company pays a fixed contribution.

The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £4,712 (31 December 2004: £2,721).

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

20 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Tex Holdings Plc incorporated in England and Wales. Tex Holdings Plc is also the controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by Tex Holdings Plc. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from Claydon Business Park, Gipping Road, Great Blakenham, Ipswich, IP6 0NL.