Registration number: 04728199

Tristel Plc

Annual Report and Financial Statements

for the Year Ended 30 June 2024

Tristel Plc

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Tristel Plc

Company Information

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Chairman's Statement

The 2024 financial year ("FY 24") has been a record year for Tristel in terms of financial performance, with trading ahead of market expectations and our own performance targets. We delivered record revenues, growth in pre-tax profits and maintained strong cash generation from the operations. We continue to be debt free and at the end of year cash and short-term investments balances were £11.8m.

FY 24 also saw us execute against our geographic expansion plans following the significant milestone of FDA clearance for Tristel ULT, our high-level disinfectant ("HLD") for use on endocavity ultrasound probes and skin surface transducers. We registered our first sales in the US and we continue to work with our partners to increase our market share across North America.

2024 was also a pivotal year in Tristel's history as we position the business for our next stage of growth. After 31 years at the helm, and having built a world-class business, Paul Swinney founder and CEO retired and we welcomed Matt Sassone as his successor.

With over 27 years of experience in the medical device industry, Matt brings a wealth of knowledge and a proven track record of leadership in many markets including North America. His vision and expertise will be instrumental in guiding Tristel through its next phase of growth.

My Board colleagues and I extend our thanks to Paul, who has led the company with remarkable vision and dedication for over three decades. Under his leadership, Tristel has grown from a pioneering start-up to a globally recognized leader in infection prevention, driving innovation by capitalising upon the Company's unique chlorine dioxide chemistry. Paul leaves a legacy of success as shown in this set of results.

Group Strategy

The Group continues to focus on the global hospital market, using its proprietary chlorine dioxide chemistry for two applications: the decontamination of the medical devices under the Tristel brand, and the disinfection of environmental surfaces under the Cache brand.

Our ambition is to become the global market leader in the manual decontamination of heat sensitive non-lumened diagnostic medical devices. In Europe, the Middle East and APAC we already hold this position, and during the year we started to build commercial momentum in North America, following the receipt of De Novo clearance for our hand-held HLD, Tristel ULT, from the United States Food and Drug Administration (FDA). This was a significant milestone for a British company of our size.

During the year, 39% of Group revenue was generated in the United Kingdom and 61% in the rest of the world. Throughout the 61 countries in which we actively market our products, Tristel medical device disinfectant revenue, which is driven by the number of diagnostic procedures in which our products are used, increased to £36.3m from £30.8m in the previous year.

Our second product range, Cache, made slower progress during the year. Revenue was £3.4m compared to £3.3m in the previous year. As announced in February, the Company gained Medical Devices Regulation 2002 (“UK MDR”) and the European Union Medical Device Regulation 2017/745 (“EU MDR”) approval of its TANK ClO_2 Sporicidal Disinfectant system. These newest additions to the Cache range, which provides sporicidal surface disinfection in a format which is a sustainable alternative to commonly used pre-wetted plastic wipes, and our continued success in gaining regulatory approvals in key markets, give us confidence that the Cache range will deliver significant sales growth going forward.

Investing in Growth

We are committed to ensuring that our business is fully primed for growth, both in the UK and across our international subsidiaries. As we expand our global reach, we continue to invest in our people and strengthen our systems to support both our commercial and operational functions. Over the past year we have grown our headcount by 6%, enhancing our sales, marketing and technical teams to meet the demands of our highly regulated industry.

In parallel, we are driving a comprehensive digital transformation across the organization, ensuring that our systems and processes are optimised for the future. Our continued investment in IT and cybersecurity infrastructure is crucial to maintaining the resilience of the business as it grows. By expanding these capabilities, we are positioning Tristel to seize new opportunities, scale efficiently, and sustain our leadership in infection prevention.

New product development is a key focus for the Board and we continued to invest during the year in three areas:

• The 3T platform which is our app-based Train, Trace and Test tool that enables a user of a Tristel medical device high-level disinfectant to record all steps of the decontamination process.

• AI capabilities incorporated into the app that enable objective verification that the key steps in the decontamination process have been performed correctly.

• Colour change technology - visual indicators that provide compliance training tools for the user and which can be incorporated into the decontamination process to ensure key steps in the decontamination process are performed correctly.

We made six patent applications during the year and three applications went to grant. During the year we invested £0.9m in product development and £0.5m in securing and maintaining intellectual property protection.

North America

In June 2023 we reached a significant milestone by securing FDA clearance for Tristel ULT, our ultrasound HLD. In the first half of FY 2024, our partner Parker Laboratories Inc. began manufacturing and commercialising the product in North America. In the second half, Parker’s distribution network had stocked up on inventory, and in the final quarter, we started onboarding an increasing number of users. During the year our revenue and royalty income from North America totalled £74k.

Tristel ULT is complementary to Parker labs' market leading Aquasonic gel, in that for every invasive ultrasound procedure the gel must be used and an HLD must be used. Parker is a well qualified manufacturing partner, for Tristel ULT, providing the highest quality standards in its FDA approved New Jersey facility, and also selling our product through its existing nationwide distribution channels. To support our partnership, Parker has expanded its own direct sales team from 2 people to 10. Whilst Parker have encountered more purchasing bureaucracy than we originally anticipated, which has slightly extended the timeline for some adopters to come on board, momentum is growing as we make headway in the world's largest market.

Parker has also showcased our products at various conferences across North America. Culminating in the publication in May of a white paper "Simplifying High-Level Disinfection for Urological Procedures: A Case Study" at the American Urological Association 2024 conference, the largest gathering of urologists in the world. In the paper, US urologist, Dr Matthew Allaway, highlights Tristel ULT in a case study, commenting on the product's ability to enable faster, simpler endo-cavitary probe processing for busy urology practices.

In January 2024, we gained Health Canada approval for Tristel ULT, further extending our reach.

Our people

It's clear that our people are Tristel's greatest asset. Without their dedication, skill, and expertise, none of the successes we have achieved would have been possible. We recognise this and are committed to being the best employer we can be, ensuring that Tristel is a place where talent can thrive and grow.

Their collective efforts have not only elevated our reputation but have also positioned us for even greater success

Results

Total revenues increased 16% to £41.9m for the year (2023: £36.0m). Our gross profit margin increased by 2%. Overheads (excluding share-based payments, depreciation, amortisation and impairment) rose by 19%, principally due to the increase in average headcount to 238 (2023 212). Increases in wages and salaries for the Group were £2.7m (detailed in note 5.)

Adjusted pre-tax profit (before share-based payments of £1.1m) rose 32% from £6.2m to £8.2m. Statutory pre-tax profit increased to £7.1m from £5.1m and the statutory margin rose to 17% from 14%. Charges associated with share-based payments have been included as adjusting items. Although share-based compensation is an important aspect of the compensation of our employees and executives, management believes it is useful to exclude share-based compensation expenses from adjusted profit measures to better understand the long-term performance of the underlying business.

Earnings per share (EPS) (adjusted for the add-back of the share-based payment charge) was 15.34 pence (2023: 10.67 pence). Basic EPS was 13.68 pence (2023: 9.44 pence) and diluted EPS was 13.54 pence (2023: 9.34 pence). See note 25 for reconciliation of non-GAAP measures.

Balance Sheet, Cash and Dividend

The Group has continued to be highly cash generative at an operating cash flow level during the year and the balance sheet is debt free (with the exception of lease liabilities). The combined cash and short term deposit balance at 30 June 2024 was £11.8m (2023: £9.5m), with £5.7m classed as short term investment (2023: £2.4m).

The Board is recommending a final dividend of 8.28 pence (2023: 7.88 pence). Combined with the interim dividend of 5.24 pence, the total dividend pay-out for the year will be 13.52 pence per share, this is an increase of 29% on last year's total dividend pay-out of 10.50 pence. Going forward the Board's intention is to increase the dividend annually in line with the year's increase in EPS, committing to minimum dividend growth of 5%. This final dividend will be paid on 20 December 2024, to shareholders on the register on 21 November 2024, the associated ex-dividend date is 28 November 2024.

Outlook

Our results clearly reflect our dominant market leadership position. Demand for our infection prevention products remains robust across all of our geographical markets, and with our recently established foothold in North America, we believe we can sustain our success.

Dr Bruno Holthof
Non-Executive Chair
18 October 2024

Chief Executive's Report

Overview

I am delighted to have joined Tristel. Having admired the business from afar, I now have the privilege of being part of a team that continues to deliver exceptional results, as reflected in our strong performance across all product categories this year. Tristel's success is built on the solid foundation established by my predecessor, Paul Swinney, and my focus will be on building upon that legacy.

We will continue to seize global opportunities, particularly with our core medical device disinfection products, and expand our footprint in key markets like North America. At the same time, we remain committed to delivering on our strategic intent to enter the surface disinfection market, where we see significant potential for our proprietary chlorine dioxide chemistry to disrupt this much larger sector.

The year ended 30 June 2024 marked another period of robust growth for the Group, with notable progress in our key strategic initiatives. These included the expansion of our medical device portfolio into critical new markets like the USA and advancing our goal to penetrate the surface disinfection market.

In the USA, our partner Parker Laboratories began manufacturing and commercialising Tristel ULT during the year, gaining significant traction with several hospitals onboarded in the final quarter. They have built a strong pipeline of opportunities but acknowledge that the more stringent post-COVID purchasing bureaucracy is extending the sales process longer than initially anticipated.

Additionally, we successfully completed the UK MDR and EU MDR certifications for our TANK ClO_2 Sporicidal Disinfectant system. This sustainable alternative to pre-wetted plastic wipes, launched at the end of the fiscal year, is expected to drive accelerated growth in Cache sales across Europe and other regions that recognize these high regulatory standards.

Financial targets

The Board and I remain committed to our financial plan for the three years to 30 June 2025, which was a continuation of the plan for the prior three-year period ending in June 2022. The three key financial targets of both the old and new plans are:

i) sales growth in the range of 10% to 15% per annum as an annual average over the three years;

ii) the achievement in each year of an EBITDA margin (excluding share-based payment charge) of at least 25%, and

iii) to increase profit before tax (excluding share-based payments) year-on-year, independently of the other two targets.

Having joined the business just a few weeks ago, I ask for a little time to work closely with stakeholders to review the company's strategic direction. This process will ensure that we are well-positioned for the next phase of our growth journey. I look forward to updating investors on our financial targets beyond June 2025, as we define our goals to align with the growing opportunities in our core markets and new areas of expansion.

Financial year	Revenue	Annual revenue growth	Average 3 year revenue growth	Adjusted EBITDA margin %	Increase in profit before tax (excluding SBP charge)
Ended 30.06.21 (base year)	31.00				
Ended 30.06.22	31.10	0.3%	-	24.0%	No
Ended 30.06.23	36.00	16%	8%	24.9%	Yes
Ended 30.06.24	41.90	16%	11.7%	26.0%	Yes

Our marketplace and technology

Our business is entirely dedicated to preventing the spread of microbes from one person or object to another. This is critical as the spread of the cross contamination of microbes are responsible for infections in healthcare, leading to illness, death, and imposing a heavy burden on both individuals and society. We fulfil this mission by developing products based on chlorine dioxide, a powerful disinfectant that we've uniquely formulated.

Hospitals, where infection risks are the highest, are where our solutions have the most impact. Infection prevention is a fundamental necessity for the safe and effective delivery of healthcare worldwide. Over 98% of our revenue comes from consumable products that perform essential, non-discretionary functions in these settings.

Our strategy revolves around our proprietary chlorine dioxide chemistry, applied in two key areas. First, we focus on the high-level disinfection of medical devices under the Tristel brand, which accounted for 87% of our continuing product revenues this year. Second, we address the disinfection of hospital surfaces through our Cache brand, representing 8% of revenues. In this area, we distinguish between the sporicidal efficacy of our chlorine dioxide chemistry and the lower-level performance claims of most competing disinfectants. Our aim is to lead the global market in this high-performance, sporicidal segment.

Tristel stands out in two key ways. We are the only provider of chlorine dioxide-based high-level disinfectants that are both validated and regulated for use with semi-critical medical devices. Moreover, our disinfectants are applied manually, unlike our semi-automated competitors that rely on a process of manually cleaning followed by a machine that applies UV-C light or a hydrogen peroxide mist.

While surface disinfection is a universal need in hospitals, with expenditures on it far exceeding those for medical device decontamination, it's the ability to kill bacterial spores that sets the top biocides apart. Chlorine dioxide, as one of the few chemistries capable of this, is a cornerstone of our offering.

The manual application of our products makes them ideally suited for departments handling small, heat-sensitive medical instruments. Whether it's nasendoscopes in ENT departments, laryngoscope blades in emergency settings, cardiac echo probes for heart disease diagnosis, or ultrasound probes in women's and men's health, Tristel provides the simplest, fastest, and most cost-effective high-performance disinfection. As a result, in the markets where we've established ourselves, we hold substantial market share.

Revenue

We segment our business to reflect our corporate strategy and geographical spread. We have developed distinctly different brands for the two product categories: Tristel for medical device disinfection and Cache for sporicidal surface disinfection. Our strategic intention is to develop the Tristel and Cache brands and product portfolios with a significant degree of independence from each other, but both anchored upon our chlorine dioxide technology platform and using the same sales teams in all countries.

Higher sales volume accounted for £2.2m of the £5.9m revenue growth and price increases accounted for the remaining £3.7m. This represents an average price increase of 11%, driven primarily by the UK where the increase has been higher because of supply agreements which require fixed pricing extending into future years.

Tristel medical device sales grew by 18%, reaching £36.4m. Reinforcing our ability to continually grow on our market leadership position.

During the year, the revenue split across these product categories was:

£m	**Brands**	**Revenue 2023-24**	**% of total**	**Revenue 2022-23**	**% of total**
Medical device decontamination in hospitals	Tristel	36.40	87%	30.80	86%
Environmental surface disinfection in hospitals	Cache	3.40	8%	3.30	9%
Other - non-core	Various	2.10	5%	1.90	5%
Group		41.90	100%	36.00	100%

Revenue by channel

We sell our products directly to end-users in those markets in which we have established a subsidiary, and through distributors in markets where we have no corporate presence. During the year, the revenue split by sales channel was:

£m	2023-24	2022-23	Year on year change	% change
Hospital medical device decontamination:				
UK	16.20	11.90	4.30	36.10
Australia	3.40	3.50	(0.10)	(2.90)
Germany	5.50	5.00	0.50	9.00
Western Europe	7.40	6.60	0.80	12.00
Other ROW	3.90	3.80	0.10	2.60
Tristel Global	36.40	30.80	5.60	18.18
Hospital environmental surface disinfection:				
UK	2.40	2.40	Nil	Nil
Australia	0.10	0.10	Nil	Nil
Germany	0.10	0.10	Nil	Nil
Western Europe	0.20	0.20	Nil	Nil
Other ROW	0.60	0.50	0.10	20.00
Cache Global	3.40	3.30	0.10	3.00
Other revenues – various brands	2.10	1.90	0.20	10.50
Group	**41.90**	**36.00**	**5.90**	**16.40**

Revenue by geography

Strong sales in the UK saw the sales percentage increase to 39% of total revenues. The below table shows the 5 year history of this metric.

	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue split %					
UK *	40%	37%	35%	35%	39%
Overseas	60%	63%	65%	65%	61%
Annual revenue growth %					
United Kingdom	7%	-10%	-3%	12%	31%
Overseas	32%	3%	2%	18%	9%

*Sales made to international distributors are included within overseas in the above table to align with the location of the end customer. As these sales originate within the UK subsidiary, for segmental reporting purposes they are included within the UK.

We have 16 subsidiaries selling directly into the hospital marketplace in the United Kingdom, Belgium, the Netherlands, France, Italy, Germany, Switzerland, Poland, Hong Kong, China, Malaysia, Singapore, Australia, and New Zealand, India and United States. We have subsidiaries in Japan, Spain and Ireland which are not yet active in terms of selling. We closed our Russian subsidiary early in FY22.

During the year, in another 45 countries, we sold products through national distributors.

Geographic expansion is a key growth driver for the business, our regulatory programme succeeded in attaining 26 approvals for 17 products in seven countries during the year. Including the approval for Tristel ULT from Health Canada.

Our Strategic Assets
We consider the assets that enable the Group to achieve its strategic goals to be:

Our chlorine dioxide chemistry
There are three critically important elements that account for the unique positioning of our chlorine dioxide chemistry:

1. The proprietary formulation,

2. Our focus over two decades on exploring the potential for chlorine dioxide in the decontamination of medical instruments. There is another application for chlorine dioxide chemistry which all other businesses have concentrated upon which is water treatment. From the inception of our business in the 1990's we looked in a different direction - towards medical device disinfection - a direction which others have not followed, and this has given us the pioneer's advantage,

3. The length of time that we have enjoyed this pioneer position has allowed us to collate a significant body of knowledge, including published scientific data, the testimony of almost two decades of safe use, a significant global footprint of regulatory approvals and a library of proven compatibility with hundreds of medical instruments, all of which would take a new entrant significant time and cost to match.

Intellectual property protection

On 30 June 2024, we held 149 patents granted in 32 countries providing legal protection for our products.

In its broadest sense, our intellectual property relates to:

1. Patents, trademarks and registered designs,
2. The scientific validation of our chemistry and our products that have entered the public domain, via a number of peer-reviewed and published papers,
3. The certification by medical device manufacturers that our chemistry is compatible with their products. We enjoy official compatibility with the instrumentation of 56 medical device manufacturers, with respect to 1,449 of their individual models.

Our people possess an unrivalled body of knowledge relating both to infection prevention and to chlorine dioxide, and they are a key asset for the future of our business. Their domain knowledge relates to the manufacture of chlorine dioxide-based products and their development. The Company's R&D investment focusses exclusively on our proprietary technology, searching for improvements in microbial efficacy, reductions in hazards, and greater efficiency in manufacture. In parallel, we invest in the creation of packaging and delivery forms that enhance and simplify the delivery of the chemistry and the user experience.

Outlook

This year has been all about delivering on the solid foundations that have been put in place across the business to support growth.

The main driver of our growth has been our Tristel branded products for medical device disinfection, which have benefitted from a continued rise in sales volumes, but also from increased pricing, primarily from the UK due to an increase in longer term fixed price supply agreements. We expect to see further growth across all of our markets in FY 25, and we are particularly focussed on making the most of the significant opportunity that last year's FDA approval for Tristel ULT offer us: access to the largest healthcare market in the world. This also gives us the opportunity to leverage the significance of an FDA approval in countries that look to the USA regulator for their own practice, such as countries across Central and South America. We also expect to see future growth from the successful execution of our North American strategy for Tristel OPH, with sales already building up in Canada, and FDA 510(k) clearance targeted for the end of this calendar year.

On the surfaces side, we believe that following UK MDR and EU MDR certifications for our TANK ClO_2 Sporicidal Disinfectant system, we will be able to accelerate growth in Cache sales across Europe and other regions that recognised these high regulatory standards. Sales of these products, for environmental surface disinfection in hospitals, are starting from a low-base, but we believe our offering, that provides the highest level of surface disinfection whilst eliminating the need for the single-use throw-away plastic wipes, will be both commercially and environmentally attractive.

I am delighted to take on the role as Chief Executive of Tristel and at a stage when we can build on our growing and well-established global footprint for our products and technology. It is clear from my first weeks in the role that we have in place the foundations for further success: we have a hugely talented team, we have differentiated and innovative products that are already well established as market-leading, and we have a host of exciting commercial opportunities to deliver further growth. It is no wonder that as a Board we remain very confident about the outlook for the Company.

Matt Sassone
Chief Executive Officer
18 October 2024

Financial Review of the Business

Sales for the year to 30 June 2024 increased by 16% to £41.9m (2023: 16% to £36m). Sales in the United Kingdom increased by 31% to £16.4m (2023: 14% to £12.5m) and overseas by 9% to £25.5m (2023: 17% to £23.5m). The APAC region was unchanged at £7.4m (2023: 17% growth to £7.4m), Europe by 9% to £14.6m (2023: 20% to £13.4m) and the global distributor network sales grew by 30% to £3.5m (2023:4% to £2.7m). Of the total sales increase of £5.9m, £2.2m can be attributed to growth in the volume of product sold, £3.7m to price increases. Volume increases come from international expansion, such as new distributor markets, increased roll out of product within existing customer sites, and the acquisition of new customers. All of these applied during the year.

Share-based payments

The non-cash IFRS2 charge (share-based payment charge) for the year was £1.1m (2023: £1.1m). £0.3m (2023: £0.3m) of the charge relates to the Executive Management LTIP scheme approved at the Company’s 2020 AGM, the remaining £0.8m (2023: £0.7m) relates to the Company's All Staff share option scheme. Details of the schemes can be found in note 23.

Administrative expenses

Total administrative expenses increased by 18% during the year. Group average headcount rose from 212 to 238 which increased staff costs (excluding share-based payments) from £12.5m to £15.1m, an increase of £2.6m, or 20%.

At year end our employees were distributed around the globe as follows: 163 in the United Kingdom (2023: 142); 49 in Europe (2023: 42); and 48 in the Asia and Pacific region (2023: 40). Almost all manufacturing takes place in the United Kingdom together with central corporate functions such as quality assurance, regulatory affairs, product development and research.

Earnings before interest, tax, depreciation, and amortization (EBITDA)

Adjusted EBITDA (before share-based payments) increased by 21% in the year to £10.8m (2023: £9.0m). EBITDA increased by 23% for the year to £9.8m (2023: £7.9m). The calculation of adjusted EBITDA and EBITDA is detailed in note 25.

Profit before tax (adjusted and statutory)

Adjusted profit before tax (before share-based payments) was £8.2m (2023: £6.2m), an increase of 32%. Statutory profit before tax increased by 39% to £7.1m from £5.1m. Adjusted pre-tax profit margin was 20% (2023: 17%). Statutory pre-tax profit margin was 17% (2023: 13%).

Earnings and Dividends

The Company’s policy has been to pay out half of adjusted EPS to shareholders in the form of an ordinary dividend each year. This policy has now changed, and in future dividends will increase by a minimum of 5%. When declaring dividends, the Board considers the Group’s cash resources and the adequacy of its distributable reserves.

The conditions that the Board applies to special dividends are that cash reserves should exceed, after payment of the dividend, the minimum operational and investment needs of the business and that the special dividend can be made from available distributable reserves. The Board believes this approach provides a flexible mechanism for managing the maintenance and expansion of the Group’s asset base whilst providing a reasonable return to shareholders.

Over the last three years, the Group's EPS and dividends were:

Relating to year ended 30 June	Adjusted EPS (pence)	Interim dividend (pence)	Final dividend (pence)	Special dividend (pence)	Total dividend (pence)	Ordinary Dividend cover ratio
2024	15.43	5.24	8.28	None	13.52	1.14 times
2023	10.67	2.62	7.88	None	10.50	1.02 times
2022	7.68	2.62	3.93	3.00	9.55	0.80 times

The relationship between ordinary dividends and adjusted EPS can also be expressed as a cover ratio.

Dividend announcements, approvals and payments are typically expected to follow a set schedule:

Dividend	Status and date announced	Approval	Approximate payment date
Ordinary interim	Declared February	The Board - February	April
Ordinary final	Recommended October	AGM by shareholders - December	December
Special	Declared July	The Board - May	August

Cash flow

During the year, net cash flow from operating activities increased to £10.9m. The components of the movement are:

£000's	Year ended 30 June 2024	Year ended 30 June 2023	Movement
Profit before tax	7,082	5,112	1,970
Share-based payment expense	1,089	1,061	28
Depreciation and amortisation	2,706	2,550	156
Impairment charges and loss on disposal of goodwill	67	68	(1)
Loss on disposal of plant, property and equipment	(8)	69	(77)
Finance income	(318)	(10)	(308)
Finance costs	218	179	39
Working capital movements	(103)	(226)	123
Taxation	153	(313)	466
Net cash flow from operating activities	**10,886**	**8,490**	**2,396**

The key contributors to the year-on-year cash-flow movement were the increased revenues enjoyed by the Group with profit also enhanced by an increased gross margin.

Review of Statement of Financial Position

Property, plant and equipment: During the year considerable progress was made on the construction and installation of tooling which will greatly enhance group production capabilities.

Short term investments: The increased Bank of England (BOE) interest rate has incentivised prompt cash collection across the group which are subsequently invested on short term deals. At year end £5,650k was invested for periods greater than 3 months.

Trade Receivables: Increased sales revenues for the period have led to an increased trade receivables balance at year end. This is monitored closely by the credit control team to ensure recovery.

Financial key performance indicators

The Board considers the primary financial key performance indicators to be:

Strategic Report for the Year Ended 30 June 2024 (continued)

	Total Revenue Growth	**Non-UK Revenue as a Percentage of Total Revenue**	**Gross Profit Margin**	**Adjusted Gross Profit Margin (see note 25)**	**Adjusted Pre-tax Profit Growth (see note 25)**	**Adjusted PBT Margin (see note 25)**	**Adjusted Earnings per Share (EPS) (see note 25)**	**Return on capital employed**
Measurement	Change in the current year revenue compared with the previous year.	The ratio of non-UK revenue to total revenue.	The ratio of gross profit to revenue.	The ratio of gross profit (excluding the costs of direct production as detailed in note 27) to revenue	The year on year increase in profit before tax, adjusted for share based payments.	The ratio of pre-tax profit, adjusted for share based payments, to revenue.	Profit after tax, adjusted for share based payments, divided by the weighted average number of shares in issue during the period.	The ratio of EBIT to the sum of total assets less current liabilities.
Why is this important	To meet the strategic objective of delivering long term sustainable growth in EPS, consistent revenue growth must be achieved.	Within the UK, revenue growth rates are slowing as a result of high market penetration. To achieve consistent overall revenue growth, sales from overseas will need to become a higher percentage of total revenue.	Gross margin is a primary indicator of business performance and market competitiveness. A movement in gross margin generally reflects a change in the product mix, market pricing, or both.	Gross margin is a primary indicator of business performance and market competitiveness. A movement in gross margin generally reflects a change in the product mix, market pricing, or both.	The Group's primary financial objective is to deliver sustainable long term growth in the value of our shareholders' investment in the Group .The primary driver of this will be sustainable profits growth.	A movement in PBT margin indicates changes in profitability.	Adjusted EPS and adjusted EPS growth are widely used measures of Company performance. Adjusted EPS forms the basis of the Group's current dividend policy and adjusted EPS growth will translate directly into dividend growth.	Return on capital employed (ROCE) is a good baseline measure of a company's performance. It is especially useful when comparing similar types of businesses
Financial key performance indicator for 2023-24	16%	61%	80%	83%	32%	19%	15.34 pence	19%
Financial key performance indicator for 2022-23	16%	65%	78%	81%	34%	17%	10.67 pence	15%

Non-financial key performance indicators

In addition to financial KPIs, the Board measures and monitors various non-financial KPIs, including the maintenance of the Group's Quality Management System (QMS) and its certification required for the design, manufacture and sale of medical devices. The Group is regularly audited by its Notified Body. The Notified Body tests the Group's QMS and assesses the conformity of medical devices placed on the market. During the year, the Group underwent one audit of the Quality Management System (QMS) and four desktop reviews of device technical files, three were completed successfully and one is still ongoing. Three major non-conformances were reported during the QMS audit (2023: none), all of which were closed out by 30 June. The company maintains compliance with the following standards and regulations: ISO13485:2016, ISO9001:2015, FDA 21 CFR Part 820, CMDR: (HC) SOR/98-282, TG MDR Sch3, MDSAP, and MDD93/42/EEC (2007/47/EEC).
The company achieved the UKCA Full Quality Assurance for the UK Medical Device Regulation 2002 and the EU MDR 217/745 Quality Management System certification.

The Board are regularly updated on employee turnover, gender split and pay gap, age statistics and company tenure. Operational performance and customer satisfaction are assessed by purchasing compliance and delivery OTIF (On-Time-In-Full) percentages and customer complaints are monitored and target above 98% effectiveness which is measured as complete orders delivered free from defect. During the financial year the monthly figure at no point dipped below 98%.

The ESG report on page 31 outlines further KPIs that the business have introduced in the current financial year.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in this report, including its cash flows and liquidity position. The strategic report also further describes the Group's objectives, policies and processes for financial risk management, including credit and liquidity risk, cash flow risk and exchange rate risk. The financial statements are prepared on the going concern basis which the directors believe to be appropriate for the following reasons:

The directors have prepared cash flow forecasts in order to assess going concern. The forecasts take account of potential and realistic changes in trading performance, and also include severe yet plausible downside scenarios. These scenarios include modelling reductions in revenue and margins and increasing costs and considering the consequent cash outflow that could result. A reverse stress test was also conducted. The directors have also considered the current economic environment, and in particular, recent movements in foreign exchange rates, rising energy costs and inflation in these scenarios. The forecasts indicate that, taking account of severe yet plausible downside scenarios, the Group and Company are able to operate within the level of existing cash and short-term investment resources, which at 30 September 2024 were £8.2m short-term investments and £4.7m cash for the group.

The key business risks are considered, documented, and acted upon by the senior management team and Board of Directors regularly. The key areas considered are set out overleaf:

Operations risk
The Group's ability to continue to manufacture and supply its products in a timely manner is a prerequisite to maintaining its sales growth rate, gross margin, and profitability. This area of risk is kept under constant review, including identifying multiple routes of supply for key materials and services related to the production of the Group's products. As a chemical manufacturer health & safety risk assessments are of significant high priority and are undertaken in all relevant areas of the business. A disaster recovery and business continuity plan is in place and updated regularly. The plan sets out the steps required to swiftly relocate people, systems, and production to ensure continuity of supply.

Regulatory and legal approval risk
The ability to continue to market the Group's products is directly linked to the Group's ability to achieve and maintain regulatory and legal approvals in those countries where the Group has a presence

The challenges in maintaining worldwide legal and regulatory compliance in respect of financial, environmental, quality and health and safety requirements are significant. The Executive Board members, supported by senior managers and specialist advisors, take responsibility for maintaining legal compliance. Through a risk management process, the implications of new regulations and legislation are assessed and the necessary changes and mitigation are implemented.

Impact from the risks related to the Covid-19 pandemic

The possibility of another global pandemic cannot be discounted and could represent a similar disruption to the business caused by COVID-19. The key risk is that medical device sales fall as a consequence of out-patient clinic closure or curtailment, so that hospital resources can focus entirely upon the consequences of the Pandemic.

Other risks associated with a pandemic associated with a variation to normal sales activity, include:

• Supply chain: national lockdowns and industry closures could slow the inward supply of product components and raw materials to the Group's manufacturing facilities. This risk can be mitigated by holding adequate inventory of both components and finished goods.

• Health and safety: if an infection outbreak were to occur amongst the Group's personnel, the business could be negatively impacted through the absence of key staff. The business operates a backfill plan in case key personnel are absent for an extended period of time - stipulating how all essential functions can continue.

• IT: the increased level of home working increases the risk of data loss or business interruption due to possible insecure network connections. The Group's communications and information technology infrastructures ensure they are able to support remote working, user awareness of cyber-attacks is constantly monitored and device management including anti-virus and firewall protection is enhanced. The frequency and adequacy of data backup practices is set at a level that reduces risk, and cloud-based technology is in place to facilitate seamless remote working.

External risks
The Group's performance is also subject to external macroeconomic conditions and changes in factors such as inflation or public spending. The current inflationary environment has resulted in the Group increasing prices where absolutely necessary, and absorbing costs as far as is feasible.

Cash flow risk
The Group's cash balances are monitored daily to ensure sufficient funds are held to meet the business needs without the requirement for further financing. To aid with the control of funds, cash flow forecasts are reviewed regularly to allow the required allocation of funds across the Group to be visible and avoid any shortfalls. To further reduce risk, Group entities hold only the cash required for their operational activities. Excess funds are held in the United Kingdom.

Exchange rate risk
Group exposure to exchange rate risk includes the measurement of overseas operations at the relevant exchange rate and changes in trade payables and receivables as a result of exchange rate movements. Daily exchange rate movements are monitored and any losses or gains incurred are taken to the income statement and reported in the Group's internal management information. Before agreeing any overseas transactions, consideration is given to utilising financial instruments such as hedging and forward purchase contracts.

Section 172 Statement
The Directors consider that they have appropriately discharged their responsibilities in promoting the success of the Company for the benefit of its shareholders. In addition, and as stipulated under section 172 of the Companies Act 2006, the Board has applied meaningful consideration to the Company's other stakeholders' requirements in its decision making.

The Board recognises that a director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members 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 members of the company.

Details of stakeholders, primary methods of engagement and the reasons why the Board considers engagement to be important are detailed below:

Employees
The Group's primary asset is its workforce and so the safety, motivation, reward, retention, and happiness of staff is of the utmost concern to the Board in its decision making. The Board receives regular feedback from Management on employee matters, collated via one-to-one meetings and discussions, by operating an "open door" policy between management and staff, and through feedback and engagement activities. Employee matters are considered a high priority discussion point at Board meetings.

Suppliers

The need to foster and maintain positive relationships with external suppliers is vital, to ensure the quality of the Group's product and the smooth operation of the business. Regular contact with all suppliers takes place at all levels of the business, and the Board receives frequent feedback from Management, where any supplier concerns or issues are shared and discussed. By maintaining close, collaborative relationships with suppliers, their requirements can be shared with the Board and given due consideration in its decision making.

Customers

Customer satisfaction is essential to the success of the business. Working with transparency and openness means that long-term customer relationships can be fostered, and customer wants, and needs can be understood. This feedback informs all business decisions and priorities. Trust with customers is built by acting with integrity, honesty and promoting effective communication. The Group's sustainability strategy is important for those customers who seek to identify and minimise the environmental impact of their supply chain. The Group's product development strategy seeks to find solutions to its customers' needs. Regular meetings are held between all customers and the Group's sales teams to ensure that the Group's products are being used appropriately and to allow a feedback loop, from which improvements to products and services is established.

Local community and the environment

Significant Board time and focus is given to Environmental, Social and Governance (ESG) matters, ensuring that the Group is operating in an ethical, thoughtful and inclusive manner. The Boards objective is that the Group's societal impact is a positive one, and that any harm that its activities cause to the environment are understood and that steps are taken to minimise and eliminate these.

All stakeholders

The Board understands the need to act responsibly, to ensure compliance with Government regulations and to apply equal consideration to both shareholders and stakeholders. Furthermore, it understands that good governance includes maintaining a clear, effective, meaningful relationship with all relevant stakeholders, including its customers and colleagues, it's suppliers and the communities and environments in which it operates. In considering its stakeholders the Board takes both a current and long term view, to ensure that the Company's strategic goals continue to be achievable without disregarding the needs and wants of any of its stakeholders.

The Strategic Report which incorporates the Chairman's Statement, Chief Executive's Report and Financial Review, was approved by the Board and signed on its behalf by:

Elizabeth Dixon
Chief Financial Officer

18 October 2024

Directors' Biographies
Bruno Holthof, Independent Non-Executive Chair, appointed 2019

(Chair of Nomination Committee and Member of Remuneration Committee)

Bruno is Visiting Professor of Health Innovation at the University of Oxford and Investment Partner of the EQT Life Sciences Health Economics Fund.

Between 2015 and 2022, Bruno was the Chief Executive Officer (CEO) of Oxford University Hospitals. Before OUH, he was CEO of the Antwerp Hospital Network from January 2004 until September 2015. Before becoming a CEO, he was a partner at McKinsey & Company. During this period, he served a wide range of healthcare clients in Europe and the United States and gained significant expertise in the areas of strategy, organisation and operations. Bruno is also member of the Board of Financière de Tubize, reference shareholder of UCB, a global biopharma company and independent non-executive chair of the Board of Copus, a human resources service company. He holds an MBA from the Harvard Business School and an MD/PhD from the University of Leuven.
Bruno brings the following skills to the Board:

• An in-depth knowledge of healthcare systems in different markets
• Operational understanding of healthcare services
• Strategic, organisational and operational change in large organisations
• More than 10 years of Board experience in publicly listed companies

Matt Sassone, Chief Executive, appointed September 2024 (Member of Nomination Committee)

Matt joined Tristel as CEO in September 2024, succeeding founder Paul Swinney. With over 25 years in the medical industry, he began his career at Quintiles in 1996 and later held various leadership roles at Smiths Medical, ArjoHuntleigh, and Maquet. As CEO of AIM listed LiDCO Plc from 2015 to 2020, he led a successful turnaround, resulting in its acquisition by Masimo Inc. Before joining Tristel, Matt served as Masimo's SVP of Marketing and head of Perioperative Product Sales in the USA.
Matt brings the following skills to Tristel’s Board:

• Growth-oriented leadership
• Global experience and US market expansion
• Track record of leading the development and launch of new products, digital platforms and innovative business models
• A champion of team engagement and bringing people together to drive success

Paul Swinney, Chief Executive, appointed 1993, retired September 2024 (Member of Nomination Committee)

Paul started his career with Brown, Shipley & Co in 1980. He worked for the European banking operations of Norwest Bank Minneapolis and Maryland National Bank, before joining OSI Finance, a specialist in shipping finance, in 1987. In 1993 he co-founded the business that was to become Tristel plc. He was Chief Executive and a shareholder from inception of the business until he stepped down in September 2024.
Paul brought the following skills to Tristel’s Board:

Tristel Plc

• Engaging and persuasive
• Able to quickly make assured decisions
• Reflective and adaptable
• Energetic, considerate and no-nonsense

Elizabeth Dixon, Chief Financial Officer, appointed 2010

Liz Dixon joined Tristel in 2007, was appointed to the Board of Tristel Solutions Ltd in 2009 and has been Tristel plc's CFO since June 2010; she also holds the position of UK Managing Director. Liz trained with BDO and moved to the Holiday Property Bond group as UK Finance Manager in 1993. Liz brings the following skills to Tristel's Board:

• Good business awareness and decision-making ability
• Excellent people skills
• A logical, analytical and enquiring mind
• Risk aware without being risk averse

Bart Leemans, Executive Director, appointed 2018, resigned 2 September 2024

Bart Leemans co-founded the Ecomed Group in 2005 and was CEO from that date until its acquisition by Tristel in November 2018. Bart remains in the position of Managing Director for both Tristel France and Tristel Belgium.

Bart holds a Master of Science degree at KU Leuven, and is a Vlerick Business School Alumnus. Bart commenced his career in the IT industry where he worked both within start-up companies and established players including IBM Global Services.
Bart brings the following skills to Tristel's Board:

• Leading and building successful and results focused teams and organisations
• A grounding in innovative technology businesses
• Entrepreneurial spirit and drive
• An ability to inspire and to deliver profitable growth

David Orr, Non-Executive Director, appointed 2015 (Member of Nomination Committees)

David joined Tristel's Board in October 2015 and was Chairman of the Remuneration Committee until 2020.
David has extensive experience of operational management at Board level in a manufacturing environment. He has been the Group Managing Director and majority shareholder of Fencor Packaging Group, a privately-owned manufacturer of corrugated packaging, since 1999, and previously held Non-Executive Board roles at Pendragon Presentation Packaging and CorrBoard UK. His early commercial career included working in the Corporate Finance Department of Robert Fleming & Co.

David read modern languages at Trinity College, Dublin and subsequently spent five years as an Army Officer. He also holds a MBA from INSEAD. David brings the following skills to Tristel's Board:

• An in depth understanding of leading and inspiring a team, particularly when acquiring and integrating businesses
• Knowledge of operational issues and constraints
• A practical and highly experienced approach to risk management
• A focus on integrity and fairness

Having joined the Tristel Board in 2015, David will step down at the 2024 AGM after a 9 year tenure.

Tom Jenkins, Senior Independent Non-Executive Director, appointed 2017 (Member of Remuneration, Audit and Nomination Committees)

Tom qualified as a chartered accountant with Arthur Anderson in 1998 and over 20 years' experience supporting ambitious growing businesses. He worked in corporate finance at Dresdner Kleinwort Benson and Bear Stearns before moving into broking, where for six years he was a Board member and head of equity capital markets at finnCap. In 2015, he joined BGF to set up their quoted investment team which he headed up to the end of 2022. He is now head of investor relations at SigmaRoc Plc.

Tom brings the following skills to the Tristel Board:

• Audit, transaction, advisory and investment experience
• An understanding of the challenges of growing a small, entrepreneurial business, having done this twice as a Director of a Broking firm, and having advised over 150 small companies
• Wide ranging capital markets experience including being a conduit for managing shareholders interests for small companies, and then as an institutional investor in quoted companies

Isabel Napper, Senior Independent Non-Executive Director, appointed 2020 (Chair of Remuneration Committee and Member of Audit and Nomination Committees)

Isabel Napper qualified as a lawyer in 1984 and was a partner at major law firm, Mills & Reeve Plc, specialising in intellectual property law. She has advised a variety of global businesses on their IP related commercial issues particularly in the healthcare and technology sectors. Isabel's first non-executive role was in 2015 and since then she has continued to work with high growth businesses both private and public. She is currently also a non-executive director at SDI Group Plc, Keystone Law Group Plc and Skillcast Plc. Isabel brings the following skills to Tristel's Board:

• In depth experience of AIM remuneration committees and issues relating to executive incentives
• Understanding and knowledge of the legal concerns surrounding innovative high growth tech businesses
• Ability to assimilate commercial issues and distil down to what matters
• A people person keen to encourage diversity of opportunity for all employees

Tristel Plc

Caroline Stephens Independent Non-Executive Director, appointed 2021 (Chair of Audit Committee and member of Remuneration and Nomination Committees)
Caroline Stephens served as a senior executive at Johnson & Johnson, the world's largest healthcare company, for over 25 years.

With global, regional & local UK responsibilities, her key assignments over the years included Marketing Director on the UK Board, leading the digital transformation of the EMEA consumer sector, and representing J&J on the Exec Committees of top advertiser associations. Subsequent to J&J, Caroline has been a digital & brand advisor to a mix of international organisations, and joined Churchill China PLC as Non-Executive Director in 2023.
Caroline brings the following skills to Tristel's Board:

• Extensive blue-chip marketing, strategy & commercial expertise
• Deep understanding & in depth experience of an end to end digital agenda
• A pedigree of growing healthcare businesses & brands internationally
• High energy and passion for collaborative people partnering

Directors' Remuneration Report for the year ended 30 June 2024

Introduction

This Directors Remuneration Report, which is approved by the Board, is voluntarily prepared and is not intended to meet the requirements of SI 2008/410 Sch 8.

Remuneration Committee members

Isabel Napper, Chair
Bruno Holthof
Tom Jenkins
Caroline Stephens
David Orr

Committee Responsibilities

The Committee meets at least once a year and is responsible for:

• Reviewing the performance of the Executive Directors
• Agreeing Executive Directors' remuneration structures and quantum, including bonus awards and share awards; and
• Determining the basis of Executive Director service agreements, having due regard to the interests of the shareholders

The terms of reference of the Committee are available on the Company's website at https://investors.tristel.com/investor-hub/

Remuneration Policy

This report sets out the Group's remuneration policy for the Directors and explains how this policy was applied during the financial year to 30 June 2024.

Remuneration of Executive Directors

The remuneration policy has been designed to ensure that Executive Directors receive appropriate incentive and reward given their performance, responsibility and experience. In assessing this, the Committee aims to ensure that the policy not only aligns the interests of the Executive Directors with those of shareholders but also relates to the future strategy of the business.

The policy therefore seeks to:

1. Consider an individual's experience and the nature and complexity of their work to set a competitive base salary that attracts and retains individuals of the highest quality
2. Align base salary to the median level for comparable AIM companies;
3. Link remuneration packages to the Group's long-term performance through bonus schemes and share option plans;
4. Set performance measures which are easy to measure and clear;
5. Set an appropriate balance between fixed and variable pay; and
6. Provide post-retirement benefits through payment into private pension arrangements and/or salary supplements

Executive Directors' remuneration packages are considered annually by the Remuneration Committee in accordance with the remuneration policy and include several elements:

Base Salary
In reviewing the base salary the Committee takes account of the profitability and strategy of the Group and the individual's contribution. Consideration is also given to the need to retain and motivate individuals. To assist in this the Committee looks at external salary surveys and undertakes its own research.

Annual performance incentive
Executive Directors' performance is also considered by the Committee to ensure that there is a strong link between performance and reward. Executive Directors are eligible to receive, at the Committee's discretion, an annual bonus capped at 100% of base salary. This bonus is based upon corporate performance targets which the Committee believes align with the long-term interests of shareholders. Stretching and transparent performance targets are put in place with a view to making a clear link to the value drivers of the business. The Executive Directors' bonus scheme pays out if pre-tax profit exceeds the Group's budget, in proportion to the budget overage.

Pensions and other benefits
The Group does not operate a pension scheme for Executive Directors. Individuals receive contributions of up to 15% of salary to their private pension arrangements and/or, where pension contributions are not appropriate, a salary supplement. Other benefits provided are a car allowance, life assurance and private medical insurance.

Share awards
Executive Directors may, at the discretion of the Remuneration Committee, be granted share option awards. The Committee is advised by independent remuneration consultants on the provisions of proposed plans and the Committee consults with major shareholders prior to being put to shareholder vote at AGM. The main terms of the LTIP put in place in December 2020 are set out on the Company's website at tristelgroup.com/invest/agm/ in the 2020 section. No new share options were granted to the Executive Directors in this financial year.

Remuneration of Non-Executive Directors

The remuneration of the Non-Executive Directors is determined by the Board, based on a review of current practices in comparable companies. The Non-Executive Directors do not receive any pension payments and do not participate in any incentive or share option schemes.

Wider employee considerations

Although it is not the Committee's responsibility to set the remuneration arrangements across the Group, it is kept informed of these. In many instances, it is possible for members of staff to qualify for a bonus which largely follows the same structure and applies the same performance targets as for Executive Directors.

The Board's view is that Executive Directors, management, and staff should be targeted with achieving the same strategic goals and should benefit accordingly. In addition, the Group encourages share ownership amongst all staff. Executive Management has discretion, subject to the Committee's approval, to award share options up to a maximum value of 100% of salary.

Shareholder engagement

The Committee seeks and takes into consideration the views of shareholders on remuneration on an ongoing basis and they are invited to make contact directly with the Chairman of the Remuneration Committee at isabelnapper@tristel.com.

Remuneration Committee advice

In undertaking its responsibilities, the Committee seeks independent external advice as necessary.

Remuneration Report

On behalf of the Board, I am pleased to present our Remuneration Report for 2024. While not a statutory requirement, the Group has produced this statement, to be read in conjunction with the Report of the Remuneration Committee, to comply with AIM rule 19 and also meet the requirements of the QCA code.

The Directors received the following remuneration during the year to 30 June 2024:

	Salary and fees	Bonus	Taxable Benefits	2024 Total (excl. pension)	2024 Retirement provision	2024 Total remuneration	2023 Total (excl. pension)	Retirement provision 2023
	£000	£000	£000	£000	£000	£000	£000	£000
Executive								
Paul Swinney	315	149	22	**486**	47	**533**	405	45
Elizabeth Dixon	231	87	11	**329**	35	**364**	294	33
Bart Leemans	205	41	3	**249**	36	**285**	273	32
Non-Executive								
Bruno Holthof	84	-	-	**84**	-	**84**	80	-
David Orr	42	-	-	**42**	-	**42**	40	-
Tom Jenkins	42	-	-	**42**	-	**42**	40	-
Isabel Napper	42	-	-	**42**	-	**42**	40	-
Caroline Stephens	42	-	-	**42**	-	**42**	40	-
Aggregate emoluments	1,003	277	36	**1,316**	118	**1,434**	1,212	110

Base salary

In deciding the salary award for 2025 the Committee commissioned a benchmarking survey of comparable sized businesses from an independent remuneration consultant. That survey was then used to set the remuneration package of the current Executive Directors and the incoming CEO. Also, subsequent to the year end, a retirement package, which included an amount equal to one years' salary was paid to the outgoing CEO. He will also receive a payment in lieu of notice.

In addition, the benchmarking survey indicated that the existing Executive Management bonus scheme was out of step with current practice and so the Committee has been tasked with reviewing the bonus scheme.

Certain key management personnel are paid through personal management entities. Where this is the case, we have included in the table above the total compensation paid to these entities, for the work of the key management personnel in question, as if we were paying the key management personnel directly.

Annual performance incentive

Annual bonuses were awarded to the Executive Directors during the year to 30 June 2024.

Pensions and other benefits

Taxable benefits comprised of a car allowance, life assurance and private medical insurance.

Directors' share options

Details of options held by the Directors during the period were as follows:

	Original grant	Unexercised options at 1 July 2023	Total options unexercised at 30 June 2024	Exercise price	Earliest date of exercise	Date of expiry
Executive						
Paul Swinney	500,000	500,000	nil	1.00p	30/06/2024	04/01/2031
Elizabeth Dixon	200,000	200,000	nil	1.00p	30/06/2024	04/01/2031
Bart Leemans	100,000	100,000	nil	1.00p	30/06/2024	04/01/2031
Total number of Board share options	**800,000**	800,000	nil			

Share options held by the Directors at 30 June 2024 are were subject to vesting conditions as set out in the Company's website at https://investors.tristel.com/investor-hub/. Unfortunately however, those conditions were not met and therefore the options have now lapsed. The Committee intends to consider a new option scheme in the next financial year.

Directors' shareholdings

The interests of the Directors in the shares of the Company at 30 June 2024 and 30 June 2023 were:

	30 June 2024	**30 June 2023**
	Ordinary 1p shares	Ordinary 1p shares
Executive		
Paul Swinney	154,501	412,350
Elizabeth Dixon	200,000	269,000
Bart Leemans	954,627	954,627
Non-Executive		
David Orr	51,614	51,614
Tom Jenkins	8,000	8,000
Isabel Napper	2,000	2,000
Caroline Stephens	1,971	1,971

The market price of the Company's shares at 30 June 2024 was 457.5p. The range during the year was 315p to 503.5p.(Source: London Stock Exchange)

This report has been authorised by the Board and is signed on its behalf by:

Isabel Napper
Remuneration Committee Chair
18 October 2024

ESG Report

Within this Environmental, Social, and Governance (ESG) report, we highlight our approach to sustainability, encompassing our vision, strategy, goals and delivery plan. We also detail the global sustainability initiatives we are aligning with while continually developing our strategy and transition plans. Requirements have been laid out by our suppliers and customers on their own ESG development journey, and as direct suppliers, we are doing the valuable work to maintain and develop our ESG relationships with them.

At the heart of our sustainability vision is the pursuit of creating a better and more sustainable business, avoiding harm, benefiting stakeholders and contributing to society.

Our business is built around the manufacture and sale of infection prevention products to hospitals, used for the decontamination of medical devices and medical surfaces, combatting the risks of hospital acquired infections (HAIs). HAIs cost the global economy billions of pounds every year and we believe that vulnerable patients should not be exposed to unnecessary health risks in hospitals. We have been helping to protect people from infections and protect the resources vital to life by making a positive impact on our customers, communities, and the planet. We understand that to have a positive impact we need ambitious goals. And from those goals must come action.

Our products help to eliminate the risk of HAIs via the delivery of a highly effective, safe and proprietary formulation of chlorine dioxide (ClO_2) in the form of consumable liquids, foams and wipes. Our products are made from water, chemical compounds, polymers and cellulose-based fibres, as well as the final delivered product inclusive of packaging. Whilst a small percentage of our products are designed and produced in New Zealand, the majority are manufactured in the United Kingdom, and are sold across forty countries globally, either through our wholly owned subsidiaries or through third-party distribution partners.

It is our collective responsibility to address the threat that climate change and environmental degradation pose to humanity. The economic, environmental, and social impact that Tristel has through its activities and products are a combination of positive and negative. We have developed an ESG strategy to establish how Tristel can enhance the positive and remove the negative impacts.

For these reasons, in 2024, we hired a Sustainability Officer, who develops and implements our sustainability initiatives and policies, and acts as a collaborative interface within our functional departments to integrate sustainability into daily operations and culture. She will monitor compliance with environmental regulations and standards, build relationships and lead communications with key stakeholders with respect to ESG, and over time, develop and provide sustainability awareness training within Tristel. With this, we can ensure consistent implementation of our sustainability strategy to be aligned across the Group.

About this Report

Through this ESG report, we provide insight into our sustainability strategy and performance. It is our goal to meet the expectations of our diverse stakeholder groups, inform the broader public about our efforts, and to ensure our goals are appropriate and achievable. This report is designed to provide a transparent account of our ESG performance, with the goals developing over time, whilst ensuring accuracy and accountability.

We are reporting upon the year ended 30 June 2024, and to demonstrate the development of our sustainability performance, we also provide information from previous years. This report encompasses the Tristel Group and all its subsidiaries, unless otherwise stated. We will publish this ESG report annually.

In some parts of this report, we use forward-looking statements in relation to activities and projects planned. These are identified by words such as “we plan”, “we intend”, or “we want”. These forward-looking statements are subject to several risks and uncertainties in the dynamic and volatile business environment. Despite these challenges, we endeavour to make estimates based on realistic and probable assumptions.

We will address any challenges we encounter by setting unambiguous and tough goals, by ensuring that the Board is at the front and centre of the drive to success, by partnering with third parties who have like-minded and innovative approaches to sustainability and ESG and by reporting transparently on our ESG activities.

Aligning with International Best Practices

United Nations Global Compact Ten Principles: We will ensure that we are aligned with the Ten Principles of the UN Global Compact, that we are operating in ways that meet the fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption. By incorporating the Ten Principles into strategies, policies and procedures, and establishing a culture of integrity, we can strive for responsibility to people and the planet and focus on preparing for our long-term success.

United Nations Global Compact Sustainable Development Goals (SDGs): We are proud to align with and make contributions towards the following Sustainable Development Goals (SDGs) of the UNGC:

- **SDG 3: Good Health and Well-Being** - Our products by nature contribute to health and well-being of societies worldwide. In addition, we prioritise the provision of physical and mental health and wellbeing benefits to our workforce.
- **SDG 4: Quality Education** - We encourage our employees to train and undertake professional development programs enabling them to achieve their full potential.
- **SDG 5: Gender Equality** - As part of our commitment to promoting gender equality and women’s empowerment, we are an equal opportunity employer, demonstrated by the number of women appointed to Board and managerial positions.
- **SDG 8: Decent Work and Economic Growth** - Our stretching growth ambitions, when interwoven with our core values, including the importance of the personal success and wellbeing of our workforce, aligns with this goal.
- **SDG 9: Industry, Innovation, and Infrastructure** - Innovation is at the core of everything we do, and therefore we have a focus upon scientific research and product development. To achieve our goals, we are continually upgrading our capabilities, increasing the number of research and development professionals we employ, for which we must ensure adequate financial resource is made available.
- **SDG 12: Responsible Consumption and Production** - We monitor and reduce energy and water consumption and minimise and track waste while focusing on sustainable procurement of natural resources.
- **SDG 13: Climate Action** - We agree with the need to take urgent action to combat climate change and its impacts and continually adopt new practices that will help in this endeavour.
- **SDG 17: Partnerships for the Goals** - We believe in a multi-stakeholder partnership that shares knowledge, expertise, technology, and financial resources, to support the SDGs in all countries and sectors.

Science-Based Target initiatives (SBTis): We have begun the journey towards establishing ambitious carbon emissions and net zero Science-Based Targets, following the five key steps of committing, developing, submitting, communicating, and disclosing. We are currently between the developing and submitting stages of our science-based target and net zero commitments to SBTi. We will be able to disclose our public statement within next year’s ESG report.

Our ESG Strategy

We understand the importance of embedding ESG into our business approach, which will enable us to effectively meet our stakeholders' needs and help our customers reduce their environmental impact.

We have established an ESG Strategy, focusing on initiatives and policies that will drive us forward. We are outlining an ESG roadmap and timeline which will incorporate near and long-term actions. The key elements of which include a supplier engagement project, carbon data collection project, a product lifecycle assessment (LCA) programme, a climate transition action plan, a net-zero roadmap, a restructured double materiality assessment and a climate-related risk and opportunities assessment.

In addition, we align to the Quoted Companies Alliance (QCA)'s Corporate Governance Code, which provides further support to our ESG efforts. More detail can be found in our Corporate Governance Report.

Materiality Assessment

In FY23, we conducted a materiality assessment, which determined 17 material topics, from which we developed three strategic pillars, several strategic objectives, and the priority topics to be covered. This has been an integral part of our strategy process and our sustainability reporting development, as it defines the most important and impactful areas for us and our stakeholders. We outlined KPIs and set goals in FY23 which we will continue to report against, and these will be more insightful now that we have accurate data.

We will update our materiality assessment, based on the principle of double materiality (DMA). The purpose of DMA is to identify which of the 10 topics or ESG matters outlined in the European Sustainability Reporting Standards (ESRS) are materially significant to our operations and stakeholders. The "double" aspect refers to the need to consider both financial materiality (outside-in) and impact materiality (inside-out). We will incorporate regulatory and reporting frameworks, along with stakeholder engagement inputs, to assess areas where we have the most significant impact on society and the environment. This includes the sustainability-related issues which affect our activities financially, by posing an opportunity or risk to the business. This process will help us validate the most important and impactful areas on which to focus our efforts and should ensure we deliver the most impactful results.

To deliver world-class medical solutions and strong profitable growth, we must interact with many different stakeholder groups. As a consequence, we focus our attention on customers, employees, suppliers, investors, regulators, and authorities and both the wider society and our local communities. Each group is engaged in a different program, with goals of receiving feedback, identifying needs, and supporting the target groups.

Building our ESG Framework

When we built our ESG framework we carried out a strategic analysis of our business and operational environment allowing us to identify key internal and external drivers that impact our business, so that we could ensure our strategy is futureproof and resilient. We surveyed 225 staff, customers, investors, suppliers and industry bodies through online surveys and face-to-face interviews. Stakeholders were most passionate about the need for innovative products and packaging, lower carbon emissions across the supply chain, and improved ESG data disclosure and transparency.

By combining the stakeholder insights with the results of the strategic analysis, seven priority topics were identified for our ESG strategy, which were grouped into three pillars:

Pillar 1: Empowering our people to thrive:

- Diversity, equality and inclusion;
- Fair and decent work;
- Health, safety and wellbeing.

Pillar 2: Pushing the boundaries of product innovation:

- Innovation;
- Waste management and a circular economy.

Pillar 3: Protecting the health of our planet:

- Carbon emissions;
- Waste management.

Our ESG strategy is summarised by an all-encompassing ESG vision that consolidates the priority topics, joins the three pillars together, and communicates our ambition.

The three pillars all have relevant goals and key performance indicators (KPIs), enabling us to monitor and measure the progress of our ESG strategy over time.

The following table shows our vision, strategic pillars, strategic objectives, and priority topics, which are then further referenced in the sections within the Environment, Social, and Governance sections of this report.

Vision	At the core of our mission lies the pursuit of creating a better and more sustainable business, avoiding harm, benefiting stakeholders and contributing to society We believe that by leveraging our unique chemistry and innovative technologies, we can achieve these goals while simultaneously fostering an energetic, considerate and inclusive workplace. Operating in the infection prevention arena enables us to say that we do the right thing, and by ensuring we have a genuine and steadfast focus on ESG we are also able to say that we do it in the right way.		
Strategic pillars	Empowering our people to thrive	Pushing the boundaries of product innovation	Protecting the health of our planet
Strategic objectives	Our employees are our top priority and we strive to create a happy and healthy environment. We provide our people with opportunities to grow, ensuring everyone feels comfortable to be themselves, and aim to increase diversity in our sector	Designing and delivering safe and effective products is fundamental to our business. We will continue to develop unique and sustainable solutions, and minimise waste at the point of design, to better serve our customers	We understand our responsibility in responding to climate change and achieving net zero. We will consider carbon emissions in all the decisions we make, across our operations and value chain, to safeguard the environment and communities we operate in.
Priority topics covered	Diversity, equality and inclusion Fair and decent work Health, safety and wellbeing	Innovation Waste management/circular economy	Carbon emissions Waste management

Delivering the ESG strategy
Embedding accountability and ownership

To ensure our top-level commitment and representation across all business areas, our ESG and Sustainability strategies are anchored in the senior leadership team, headed by the CEO and CFO. Sustainability-related issues are presented, reviewed, and approved by the Board. The framework ensures that our ESG activities operations align with our values and responsibilities.

Our Board has played a pivotal role in guiding our ESG journey, and its influence remains paramount to our efforts. ESG matters are meticulously considered as part of strategy discussions. This year's Board strategy discussions led to significant decisions, including:

- Continued implementation of the ESG strategy, including the setting of commitments, goals and KPIs;
- Further research into relevant ESG accreditations and guidelines to elevate our sustainability profile;
- Enhancement of the ESG Report within the Annual Report and company website to offer transparent updates on our ESG goals and initiatives.

We do not have a dedicated Board committee to oversee daily ESG activities, but the Board will continually assess the need for one.

Our three pillars are further discussed below.

Environment
We understand that continued population growth, rising consumption, public health crises, changing lifestyles, and other dynamics are placing increased pressure on the world's resources and creating new and increasingly complex challenges for businesses. It is increasingly clear that the window for action for environmental protection is limited, and it is time to move from commitments to measurable action and demonstrate progress.

PILLAR: Pushing the boundaries of product innovation
Tristel products have an environmental impact throughout their lifecycle - from raw material extraction to disposal post-use. The choices we make when designing new products not only affect our own operations, but also our suppliers and customers. We are therefore focused on improving the sustainability of our products to minimise the impact on the environment and, where possible, contribute to the circular economy.

Sustainability is at the core of our product development strategy. We are committed to designing products that have minimal environmental impact through their lifecycle, from material sourcing to end-of-life disposal. Our approach includes utilising recycled and renewable materials, reducing energy consumption during manufacturing, and optimising product designs that enhance durability and recyclability. We also engage in rigorous lifecycle assessments to identify and mitigate environmental risks early in the development process.

To guide our efforts over the short, medium and long term, two priority topics underpin the 'Pushing the boundaries of product innovation' pillar:

- Innovation
- Waste management and circular economy

A. Innovation

By integrating sustainable practices into product development, we aim to not only meet regulatory standards but also exceed customer expectations for sustainable products for use within healthcare environments. This commitment is part of our broader goal to drive innovation, whilst supporting a circular economy, enabling us to offer novel and sustainable alternatives to the industry norm. In doing so we also hope to reduce our overall carbon footprint. Through continuous improvement and collaboration with suppliers, we will achieve sustainability, one product at a time.

Although our stakeholders see Tristel as an innovative company - addressing a range of problems like the use of pre-wetted plastic wipes in clinical settings - we constantly challenge ourselves and push the boundaries of product innovation. By prioritising innovation now, we will be prepared for the likely future introduction of regulations on the materials that we use to manufacture our products. To guide us in our Group-wide efforts, we have set the following commitment, goal and KPIs:

ESG Topic: Innovation

Commitment	We will strengthen R&D to design and package our products using circular economy principles, while ensuring product safety and affordability	
Goal	To design a large proportion of our products and packaging using circular economy principles for the benefit of the environment and society	
Target	Intangible CAPEX projects dedicated to R&D (% of total CAPEX)	Number of employees involved in R&D tasks or projects
KPI	20%	21

Our activities during FY24 related to the design and delivery of sustainable solutions for our stakeholders, include:

• The development and launch of the Cache product range, enabling hospitals to cease use of prewetted plastic surface disinfection wipes, which are used in their billions globally
• Further investigation into low carbon emission wipe substrates, suitable for use in our target markets and clinical applications, via collaboration with specialist manufacturers.

Looking to FY25:
• We will improve our data collection processes.
• We will continue to create Life Cycle Assessments (LCAs) which establish and seek to improve the sustainability profile of our products.
• Ensuring wherever possible that the materials from which our products are manufactured are recyclable or consist of recycled material. When compile the data to understand the full recyclability picture of our products, we will measure and track this metric.

B. Waste management with a circular economy

We recognise that action must be taken to transition towards a circular economy. By keeping products and materials in circulation for as long as possible, the circular economy tackles climate change and other pressing global challenges, such as pollution, waste and biodiversity loss. We are committed to maximising the value of our products and eliminating waste wherever possible.

To address this challenge, we will increase the use of reusable or readily recyclable materials to package our products. Our Cache product portfolio highlights our efforts and motivation to enact positive change, but we know we can do more. Equipped with the following commitment, goal and KPIs, we will make progress in our transition to a circular economy.

ESG Topic: Waste Management with a Circular Economy

Commitment	We will reduce waste generated by our products and develop recyclable or reusable packaging for our products		
Goal	To package all products using reusable or readily recyclable material		
Data	Amount of all packaging waste created by Core Product Formats that is readily recyclable	Amount of packaging waste created by Core Product Formats manufactured with recycled materials (inc. PIR materials)	Design projects that aim to improve the sustainability of a product
Target - to be increased annually	50%	TBD*	1
KPI	51%	TBD*	1

*Note: We are still establishing the level of recycled and recyclable material within the products. It is a data-heavy process that takes time to formulate and requires significant input from our suppliers. Once we have the necessary data, we will report upon actual levels and set future targets.

PILLAR: Protecting the Health of our Planet

The degradation of nature and the actions aimed at conserving, restoring, and sustainably using it, pose both risks and opportunities for businesses such as ours. We aim to disclose nature-related issues, consistent with the global sustainability reporting baseline and in response to the increasing requirements of our customers, investors, and other stakeholders.

We recognise the importance of achieving net zero emissions and are committed to monitoring and continuously improving our environmental performance. In line with the NHS's supplier net zero target, we are committed to achieving net zero for all our emissions (scopes 1, 2 and 3) by 2045. This supports the UK Government's net-zero strategy and the Paris Agreement's ambitious goal to limit global warming to well below 2˚C above pre-industrial levels (with a preference for 1.5˚C).

Our “Protecting the health of our planet” pillar comprises of the following priority topics:

- Carbon emissions
- Waste management

A. Carbon Emissions

During FY24, we overhauled our carbon data and made considerable improvements to the quality, depth and scope of data used to calculate emissions. As a consequence, we have recalculated our baseline year of FY22. We feel confident that by making these data improvements, we now have a stable data source for future emission calculations.

In our recalculation we have used consumption data wherever available, with industry-standard benchmarks utilised to derive estimates in the absence of available data. By using a more robust greenhouse gas (GHG) emissions accounting methodology, our updated carbon footprint has provided a more accurate reflection of our environmental impact; this, in turn, has given us a better understanding of the carbon-intensive areas of our business (i.e. emission hotspots).

We are striving to have our carbon emissions from FY24 published as soon as available, however our efforts have been focused on FY22 recalculations and FY23 calculations to ensure an accurate starting point from which to improve and provide year-on-year data. The following GHG emissions includes all UK and overseas subsidiaries (group). For reference to some FY24 Scope 1 and 2 data, please refer to our SECR report in the notes, although the difference is numbers is UK-based only vs total group. We will not publish our full FY24 carbon emissions below until we have gathered all the relevant data.

Greenhouse Gas Emissions (Metric tonnes (tCO2e))	**FY23**	**FY22**
Scope 1		
Natural Gas and Propane/LPG	123	123
Company Vehicles Fuels - petrol and diesel	224	152
Refrigerants	340	365
Scope 2		
Location-based emissions	120	132
Scope 3		
Category 1: Purchased goods and services	4,004	3,409
Category 2: Capital goods	349	91
Category 3: Fuel- and energy-related activities	99	99
Category 4 and 9: Transportation and distribution (combined upstream and downstream	397	419
Category 5: Waste generated in operations	18	16
Category 6: Business travel and hotel stays	96	105
Category 7: Employee commuting and homeworking	91	113
Category 8: Leased assets (upstream)	0**	0**
Category 11: Use of sold products	0**	0**
Category 12: End-of-life treatment of sold products	63	41
Total Scope 1 (tCO2e)	**687**	**120**
Total Scope 2 (tCO2e)	**640**	**132**
Total Scope 3 (tCO2e)	**5,117**	**4,291**
Total Scope 1, 2 and 3 (tCO2e)	**5,924**	**5,064**
Average employee headcount	*224*	*204*
Emissions Intensity Ratio (total tCO2e per employee)	*26.4*	**24.8**
Group Turnover (£m)	*36.0*	*31.1*
Emissions Intensity Ratio (total tCO2e per £m)	*164.6*	**162.8**

*In our efforts to improve carbon data, we have recalculated our baseline year. Some of the data improvements include: a change from spend data to usage and consumption data, a more comprehensive view of our company vehicles, and categories within purchased goods and services that should be included within our operational boundary. We also updated our FERA to align with our Scope 1 and Scope 2 calculations.

**Our upstream leased assets are fully accounted for within Scope 1 and 2, as well as Scope 3 purchased goods and services. We will be improving our data to be able to separate appropriately into upstream leased assets, which we understand may impact future reporting. Our use of sold products is minimal due to the nature of our product. We will further evaluate this information within our data collection program.

Our office energy comes from electricity and natural gas. We recognise that we can further reduce the impact of our office energy use by making the transition to certified renewable energy. We are looking for opportunities to increase the percentage of energy used that comes from these sources. In several of our global business locations we have made this transition and are looking for further opportunities to switch to renewable energy, by working closely with building management teams and energy suppliers.

Specific environmental aspects and impacts were also reviewed, which revealed that our resource consumption and waste management require greater attention:

- We are engaging with our Top 25 suppliers (representing 60% of spend), requesting that they both track and work towards a reduction in their carbon emissions, and if possible, become validated by SBTi. The goal we are seeking is to reduce our Scope 3: Purchased Goods and Services emissions category.
- We have conducted a Life Cycle Assessment on our leading product: Trio, and will assess additional Tristel products in the coming months.
- We will reduce refrigerant emissions by initially tracking our refrigerant volume use and deploying more sustainable alternatives.
- We are on a journey of switching out combustion engine vehicles to hybrid or electric vehicles.
- We are switching our UK sites to renewable energy tariffs backed by REGOs and RGGOs and are expanding this initiative to our overseas subsidiaries wherever possible.
- We are installing solar panels at our premises wherever possible.
- We are identifying third party haulers who can offer a carbon zero service for transportation and distribution.

ESG Topic: Carbon Emissions

Commitment	We will create a clear roadmap to achieve net zero emissions		
Goal	To achieve net zero emissions for scopes 1 and 2 by 2030		To achieve net zero emissions for scopes 1, 2 and 3 by 2045 in line with NHS's net zero target
Data	Scope 1 emissions (tCO2e)	Scope 2 (market and location-based) emissions (tCO2e)	Scope 3 emissions (tCO2e)
Target	Annual reduction, reaching net zero by 2030	Annual reduction, reaching net zero by 2030	Annual reduction, reaching net zero by 2045
KPI	Annual reduction in tCO2e of 16%	Annual reduction in tCO2e of 16%	Annual reduction in tCO2e of 5%

We have yet to see a reduction from our baseline year as we have been focused upon data collection. We will now be able to produce three years of data to accurately compare side-by-side the effectiveness of our carbon reduction initiatives.

B. Waste Management

Plastic pollution and the environmental damage caused by hazardous chemical waste present a growing global problem. All our stakeholders acknowledge the severity of the issue, which is demonstrated by the fact that waste management ranked as the fifth most important ESG topic; among our external stakeholders, the topic was ranked third in the level of importance. It is, therefore, vital that we continue to maintain our high standards with respect to waste management and ensure compliance with relevant waste legislation, such as the Waste (England and Wales) Regulations 2011. To achieve this, we have set the following commitment and goal:

ESG Topic: Waste Management

Commitment	We will stream all waste from our facilities and process it in the most environmentally friendly manner						
Goal	To improve waste stream management and implement waste reporting with an aim to reducing waste sent to landfill						
Data	A	B	C	D	E	F	G
Target	Not yet set*	Not yet set*	Not yet set*	Not yet set*	Not yet set*	Not yet set*	Not yet set*
KPI	4%	15%	33%	16%	3%	24%	6%

A. % of Total Waste that is Hazardous - Landfill
B. % of Total Waste that is Hazardous - Recycling/Repurposing
C. % of Total Waste that is Hazardous - Incinerated
D. % of Total Waste that is Hazardous - Incinerated for Energy
E. % of Total Waste that is Non-Hazardous - Landfill
F. % of Total Waste that is Non-Hazardous - Recycling/Repurposing
G. % of Total Waste that is Non-Hazardous - Incineration for Energy

*Target not yet set because we must board-approve them, which we hope to do in FY25. The KPI data is provided for information.

Although we have tracked our FY24 waste, we have yet to set targets as we are still in the process of verifying data sources and ensuring we have a complete picture. Next year we aim to create accountable reduction targets and intensity ratios and implement reduction initiatives.

Our recycled waste includes closed and open loops, cardboard, paper and mixed recyclables.

Our hazardous waste category includes waste that has been incinerated for renewable energy. We have worked with our waste collectors for better waste stream processing, which has improved our emissions reduction initiatives.

Waste is an area that is likely to increase as the business grows, as such we have decided to focus upon the percentage of total waste that is recycled as a KPI and establishing an intensity ratio to monitor improvements.

Social

We are proud of the culture that exists within the Company and are pleased to showcase it within our ESG Report. Our core values of No-nonsense, Considerate and Energetic embody what it means to be part of the Tristel community. We strive to create a work environment in which employees feel valued, are empowered to excel, and are appropriately rewarded. By providing internal recognition, training, and development opportunities, we equip our employees with tools and resources that help them grow within the organisation and contribute to the success of the Company.

We believe that a continued focus on our people's development is a pre-requisite of business success, which is why we have frameworks in place which ensures touchpoints between employees and managers centred around motivation, responsibilities, and development. Our senior team and employees engage in regular feedback meeting, ensuring a company-wide focus on performance, growth, and development.

Each year we conduct Employee Engagement Surveys. Within these we aim to understand our workforce's views and solicit their feedback, with the goal of creating a strong and positive culture in which employees can reach their full potential. In FY24 we achieved a response rate of 63%, with 80% of employees stating that they are either engaged or highly engaged, with an average engagement score of 4 out of 5. The areas for development are actively being addressed by our HR and senior teams.

We have transitioned to a simpler method of Payrolling benefits in the UK. We have promoted the UK Cycle to Work scheme and rolled out an EV Car Scheme during FY24. We also have concrete plans in place for improving our parental benefits. Hopefully, this enhancement will help support our employees and their families by ensuring there is the time and financial support needed for the early days of parenthood.

PILLAR: Empowering our people to thrive

A cornerstone of our comprehensive ESG strategy is the Empowering our People to Thrive pillar. Our employees are fundamental to the Company's success, and we strive to create a happy and healthy work environment for them. We provide our workforce with opportunities to grow, ensuring everyone feels comfortable to be themselves and aim to increase diversity in our sector. Within this pillar, three ESG topics guide our journey towards sustained employee empowerment:

- Diversity, equality and inclusion
- Fair and decent work
- Health, safety, and wellbeing

A. Diversity, equality and inclusion

We aim to be the employer of choice for the talent within our industry. Alongside other initiatives, this means developing an inclusive and equitable work environment for a highly diverse workforce. We live up to our Equal Opportunities Policy by committing to provide equal opportunities in employment, avoiding unlawful and unfair discrimination, by creating a culture that values diversity and that appoints, rewards, and promotes staff based on merit. The Board of Directors has overall responsibility for the effective operation of this policy, and all managers set an appropriate standard of behaviour and lead by example. Staff receive appropriate training in equality and diversity, and training needs are identified through regular appraisals.

Our employees ranked DEI as the fifth most important ESG topic for the business, showing that they greatly value Tristel's diverse, inclusive and collaborative culture. As we continue to expand our business operations, we continue to prioritise DEI to attract and retain talent. The following goals and KPIs will enable us to achieve this commitment:

ESG Topic: Diversity, equality and inclusion

Commitment	We will ensure everyone feels welcomed, respected, valued and included regardless of gender, sex, race, skin colour, age, ability, mobility, ethnicity or religion			
Goal	To maintain the representation of females in management positions at 50%		To carry out an annual survey of all staff with diversity-focussed questions	Identify the potential to embed apprenticeship and end of career schemes
Data	Number of females on the Board	% of females in managerial positions	Number of diversity-oriented complaints	% of apprentices and 'approaching end of career' staff that remain within the business >1 year post recruitment
Target	50%	50%	Zero	100%
KPI	38%	47%	Zero	100%

We are proud to have already taken important steps to achieve a more inclusive organisation and sector:

• 38% of the Board are female.
• 47% of all management roles are held by females.
• No diversity-orientated complaints have been received.
• We have launched our apprenticeship scheme and are proud of the progress these individuals have achieved thus far.

B. Fair and decent work

Like most companies, we rely on our people to achieve our purpose, and as a company within the medical device industry, we rely on a wide variety of specialised employees. Our ability to attract and retain talent is crucial, and we place a lot of emphasis on the onboarding process and the development opportunities we offer our employees throughout their time with us. From the first day, employees will have regular check-ins and alignment on objectives, as well as time for feedback from their manager. We want to ensure that all employees have the chance to make themselves heard, develop their skillsets and carry their ambitions forward, regardless of their location or position.

In our UK workforce, there is mix of 76 females to 85 males. In the rest of the world (ROW), the ratio is 55 females to 39 males. Our average gender pay gap (GPG) in the UK is 3.28%, significantly lower than the 2023 national average of 14% reported by the UK Office for National Statistics. This figure includes both full-time and part-time employees.

Within our global workforce, we have achieved a near equal distribution of managerial and leadership roles between genders, with 49% female to 51% males' occupation of such positions. The global median GPG in managerial and leadership posts stands at 6%.

Currently, our workforce's combined median age is 41, reflecting a well-distributed age representation from 21-80 years among both male and female employees. Our managerial teams' ages range from 26 to 66 years, showcasing a broad spectrum of experience and perspectives. The average age of the managerial group is 42, which suggests a mature yet dynamic leadership team. The average length of service stands at 5 years, ranging from under 1 year to 30 years. This range underscores a balance between new hires due to business growth and employees with significant levels of tenure. The largest group of employees has under 1 year of service, indicative of recent hires. There is a steady distribution across the 1-5-year range, suggesting a continuous influx of employees gaining experience and settling into roles. Additionally, employees with longer tenure (10+ years) constitute a smaller but significant segment of our workforce, reflecting stability in their roles.

Acknowledging and appreciating the growing recognition of fair and decent work among individuals is crucial, particularly those from diverse backgrounds. In the heart of our operations lies a profound commitment to fair and decent work, which resonates far beyond the confines of our office walls, reaching into the fabric of our employees' lives. As we navigate the dynamic landscape of our industry, fair and decent work are not merely abstract concepts we endorse; they are the foundations upon which our success is built. In a time marked by a pressing cost-of-living crisis, our dedication to prioritising fair and decent work takes on an even greater significance, reflecting our commitment to the holistic welfare of all those who contribute to our mission.

During the stakeholder engagement exercise, carried out in FY23, internal and external stakeholders collectively ranked fair and decent work as the second most important ESG topic. Internally, it emerged as a top priority. By maintaining high standards we hope to retain talent. By prioritising this topic, we are committed to providing our employees with the work environment needed to help them fulfil their potential. We have established a clear commitment and a set of goals and KPIs to make actionable progress.

ESG Topic: Fair and Decent Work

Commitment We will provide our employees with the environment needed to fulfil their potential

Goal	To achieve equal pay for all employees regardless of gender in the UK	to maintain entitlement to family-related leave regardless of gender or role within the Group	To maintain the number of employees earning above the Real Living Wage and receiving Real Living Hours in the UK		To provide more training and development opportunities though implementing a Learning Management system available to all members of staff within the Group	
Data	% gender pay gap	% of employees entitled to family-related leave	% of employees receiving the Real Living Wage	% of employees receiving the Real Living Hours	% of workers that participated in career development reviews each year	Number of completed training videos per employee*
Target	0%	100%	100%	100%	100%	TBD
KPI	3.28%	100%	100%	100%	100%	44%*

*We have restated this metric to track the hours training time compiled via a global training platform. We tracked 10,476 completed training videos, averaging 44 completed videos per employee (average headcount) this year. We plan to review this metric to further improve our training-focused performance indicators.

We are proud to have already taken important steps to provide fair and decent work for our employees:

• Achieved a mean gender pay gap of 3.28%
• Provision of an enhanced parental pay package
• Provision of a minimum wage policy, which exceeds the UK living wage in the UK.
• The implementation of a global training platform enabling staff to develop their skills, both in relation to their current role, but also (in their own time) to study subjects that interest them but have no connection to their role within the business.
• The implementation of a performance review platform for all staff.

One of our successes includes our application for Real Living Wage accreditation which was successfully submitted in FY24. It applies to all staff and qualifying third-party contractors to confirm that they are paying anyone regularly working for Tristel at least the Real Living Wage. We expect to receive our official accreditation within the first half of FY25.

C. Health, Safety and Wellbeing

Safeguarding the health and wellbeing of our employees stands as an uncompromising cornerstone of the business. Health, Safety and Wellbeing (HS&W) ranked first in terms of importance according to all stakeholder, which aligns with our industry's stringent regulations. By upholding these high standards, we ensure compliance and substantiate our role as a responsible contributor to public health and our mission to produce quality products that positively impact health.

We are committed to ensuring safe working conditions for all. The health and safety team are responsible for systematic training and reporting, and for checking that safety procedures adequately meet risk levels. We perceive health and safety as including both the physical and mental wellbeing of employees. We believe that the purposeful vision of saving lives and improving patient care through innovation, combined with our values and focus on mental wellbeing leads to high job satisfaction and thereby low employee turnover.

We value trust, autonomy, and results. We believe that the best way to promote those values is by allowing employees to adopt a work-life balance that suits them. This flexibility fosters a happier and more engaged workforce.

Our commitment is to continue to provide our employees with a safe work environment, and employment benefits which ensure their health and wellbeing needs are met. These goals and KPIs have been created to ensure we deliver against our commitment:

Commitment	We will continue to provide our employees with a safe work environment and benefits which ensure their health and wellbeing needs are met				
Goal	Monthly incident-free rate >95%	Monthly accident-free rate >95%	No major incidents	No major accidents	To maintain and increase the provision of healthcare services for our employees
Data	Monthly incident-free rate	Monthly accident-free rate	Number of incidents	Number of accidents	% of employees offered a non-contributory private health insurance scheme
Target	>95% of working days each month	>95% of working days each month	Zero	Zero	100%
KPI	>98%	>99%	0*	0*	100%

*Note: The KPIs for incidents and accidents is set at 95% free per month. The zero is set for major accidents/incidents. These would be, for example, major fire/catastrophic racking collapse/serious injury/fatality, of which we have had none.

We are proud to have already taken important steps to improve health, safety, and wellbeing within the Group:

- As of 30 June 2024, there were 2,018 working days since the last lost time accident.
- No major incidents (major fire/catastrophic racking collapse) or accidents (serious injury/fatality) occurred during FY24.
- Increased the Health and Safety Department headcount to include a Product Safety Assistant.
- An external auditor carried out ISO 45001 gap analysis audit and concluded that Tristel met and exceeded the requirements. Tristel is aiming to implement the standard in FY25.

Over the year, we strived to:

- Increase the breadth and availability of private healthcare services, with the target of ensuring that all our global employees have access to private healthcare services. This work will continue into FY25.
- Increase the provision of wellbeing support schemes for our employees.
- Continue to manage all risks to people and property, with a positive and pro-active approach and with input from all levels within the business.
- One of our successes contributing to employee wellbeing was the introduction of a 24/7 unlimited access Virtual GP and second medical opinion service provided by Health Hero to all UK employees aimed at increasing GP availability and enhancing employee wellbeing. We have also introduced an NHS-approved app and 24/7 confidential helpline that provides mental health and wellbeing support. This is a day one, non-taxable benefit for UK staff, which we will seek to replicate for our global staff.

We also value employees' financial wellbeing. We offer a comprehensive pension scheme for our UK-based employees, which provides an informative presentation of all benefits available to them. Each employee can meet with a financial advisor to ask any questions relating to their personal finances.

We offer a range of benefits including life insurance cover, income protection insurance in case of absence due to long-term illness or injury and private health cover.

Governance

We believe that good governance fosters transparency, accountability, and more importantly, builds trust with our customers, employees, and other stakeholders. We have built robust corporate and operational governance mechanisms that go beyond compliance to prioritise product and service excellence, research and innovation and customer satisfaction.

Our commitment to making a safe, more sustainable, and productive world starts at the highest level. Tristel's corporate governance structure is designed to ensure effective oversight of the company's performance and the material risks impacting the business, while fostering informed and ethical decision-making. Our Board is the ultimate decision-making body at Tristel, with responsibility for oversight of the company's strategic development, values, business offerings and performance, including our ESG and sustainability initiatives.

ESG Regulations, Legislation, and Requirements

In recent years, a growing number of Sustainability and ESG-related legislation and regulations have been passed around the world to create better consistency, transparency, and quality among corporate ESG disclosure, sustainable investment, and ESG practices. The European Union (EU) has some of the world's most advanced ESG regulations of any economic region, designed to fight climate change, support sustainable innovation, and make Europe the first climate-neutral continent by 2050. Alongside the EU, the UK is one of the most dynamic ESG regulatory jurisdictions with regulations including the Streamlined Energy and Carbon Reporting (SECR), Energy Savings Opportunity Scheme (ESOS), Sustainability Disclosure Requirements (SDR), and several more requirements set for large companies.

Until recently, in many countries and authorities, ESG and sustainability reporting have been voluntary. In today's world, the rise in global ESG regulations is leading to increased compliance obligations, exposure, and risks for international companies, particularly ones conducting significant business within Europe.

Despite the challenges these new regulations create, they serve essential functions such as upholding good corporate and ESG governance and environmental protection, protecting human rights, promoting positive industry collaboration and sustainable product innovation, and ensuring companies operate in a responsible and ethical manner with sound risk controls. These developments convey significant economic and social benefits, thus, we are planning for success in a constantly evolving ESG regulatory landscape, by staying at the forefront with active engagement and continuous monitoring.

Healthcare Provider Requirements

We have aligned according to Appendix 5a Sustainability & Social Value - Expectations of Suppliers Version 6.6. As a direct tier one supplier of the NHS, so we have successfully contributed to the Five Asks of Suppliers:

1. **Carbon Reduction Plan** - We published our first CRP in April 2024, valid for 12 months, and will continue to publish while improving our carbon reduction initiatives.
2. **Social Value** - Within our ESG Strategy, we will be incorporating the UK Government's Social Value Model (PPN 06/20), with a focus on the five special social value themes: Fighting Climate Change, COVID-19 Recovery, Tackling Economic Inequality, Equal Opportunity, and Wellbeing. We are committing to specific KPIs that will relate to each outlined topic.
3. **Evergreen Sustainable Supplier Assessment** - Our current assessment from April 2024, with a 12-month validity period. We will improve our assessment level in future years.
4. **Net Zero Supplier Roadmap** - We have familiarised ourselves with the roadmap and will prepare for the upcoming milestones and focus on demonstrating the social value we can offer our primary customer.
5. **Modern Slavery** - We completed the Modern Slavery Assessment Tool (MSAT) and achieved a year on year improvement on our score. We scored well in our strengths of Governance, Policies and Procedures, and Risk Assessment and Management. We have room to improve our internal KPI goal setting.

In consideration of all stakeholders' ESG goals, we maintain a comprehensive view of assisting our customers on their path to a sustainable future. For example, in line with the Well-being of Future Generations (Wales) Act 2015, we support a healthier Wales, providing an innovative product to hospitals to combat the risk of transmission of infection, as we see infection prevention as a basic requirement for the safe and effective provision of healthcare, true for all hospitals in all countries. We believe in a sustainable future for all healthcare providers within all communities.

Looking Ahead

We will take steps towards disclosing in reference to the GRI framework, and IFRS S1 and S2, and follow the roadmap laid out by the NHS and best practise guidelines presented by our worldwide customers. We strive to become a fully transparent company, committed to promoting EDI, fair and decent work, to become net a zero company and foster the global just transition to a circular economy and sustainable future.

Our annual ESG report is a key component of our commitment to transparency. The report allows us and our stakeholders to gauge our progress against our goals, help us validate our approach, and correct our course of action, as necessary. We are intent on continual improvement, and with this report, we reflect on our successes, identify areas we can improve and plan the way forward with a comprehensive sustainability timeline.

Elizabeth Dixon

Chief Financial Officer

Note 1:

SECR Reporting

As regulations introduced under the UK government's commitment to Net Zero, the 2019 Streamlined Energy and Carbon Reporting (SECR) directive ensures businesses are transparent about their energy use. Therefore, we provide our detailed report, which also includes, as required, our methodology and energy efficiency actions, with the following UK-based data as required of an unquoted company.

SECR Table

UK-Based GHG Emission and Energy use date for period:	1 July 2023 - 30 June 2024	1 July 2022 - 30 June 2023	1 July 2021 - 30 June 2022
Scope 1 emissions (tCO2e)	140.68	149.56	137.15
Scope 2 emissions (tCO2e)	83.01	89.53	89.81
Total gross Scope 1 and 2 emissions (tCO2e)	223.69	239.10	226.96
Scope 3 emissions (tCO2e)	60.45	66.61	62.27
Total gross emissions (tCO2e)	284.14	305.71	289.23
Energy consumption included in the above calculations (kWh)	1,051,002	1,126,332	1,086,581
Group Turnover (£m)	41.9	36.0	31.1
Energy consumption intensity ratio	25,084	31,287	34,938
Emissions intensity ratio	6.78	8.49	9.30

Methodology

Tristel plc is a parent company which, based on group-level reporting, meets the thresholds for SECR requirements for disclosing the combined energy use and emissions of all subsidiaries. However, Tristel plc, as an unquoted company, must only report on UK-based energy use and associated emissions. Therefore, we have not included the associated energy use and emissions from our overseas subsidiaries.

We are engaging in SECR disclosures to report its energy use and carbon emissions in alignment with the Companies (Director’s Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The data detailed in the compliance table represents emissions and energy use for which we are responsible, including electricity and gas use in our offices and fuel use in our company vehicles and grey fleet of employee mileage. Emission calculations are in line with the main reporting requirements of the Greenhouse Gas Protocol Corporate Standard, along with the UK Government GHG Conversion Factors for Company Reporting 2021-2024. All our activity for SECR is UK-based therefore no global emission factors have been used during the calculations. For data provided based on spend, estimates have been made using relevant location specific data.

SECR Scope 1 includes UK-based vehicle fuel consumption by the controlled vehicle fleet of owned and leased vehicles using fuel spend data per vehicle type, and gas boiler and propane consumption using usage data. Refrigerants have not been included as not required by SECR.

SECR Scope 2 includes the UK-based electricity supplier usage data.

SECR Scope 3 includes UK-based vehicle fuel consumption of the grey fleet for employee mileage portion of business travel using spend data. It also includes fuel and energy-related activities (FERA) for all vehicles and FERA for heating, and FERA for electricity, including well-to-tank (WTT) and transmission and distribution (T&D) emissions conversion factors provided by DEFRA 2022, 2023, and 2024. If any gaps in data existed, we used estimation.

All units have been converted and compiled into the total kWh energy consumption.

Energy Efficiency Actions

We aim to record energy efficiency actions in reporting periods when we meet the threshold for SECR reporting requirements, being FY24. Actions taken during this period include the following:

• Installing EV electric charging points at 3 Company sites - including HQ in the UK.
• Replacing commercial vehicles with 100% electric vehicles.
• Replacing the UK fleet with hybrid vehicles, reducing overall petrol consumption and emissions.
• Switching UK sites to a renewable energy tariff backed by REGOs.
• Recruitment of a Sustainability Officer to manage energy efficiency projects, collect accurate usage and consumption data, establish ESG action plans and assess environmental risks and opportunities.

We intend to prioritise our focus on the following CDP-recommended carbon emissions reduction initiatives:

• Company policy or behavioural changes:
Supplier engagement, customer engagement, change in purchasing practices, resource efficiency, waste management

• Energy efficiency in production processes
Smart control systems

• Fugitive emissions reductions
Refrigerant leakage reduction

• Low-carbon energy consumption
Low-carbon electricity mix

• Transportation
Business travel policy, teleworking, employee commuting, company fleet vehicle replacement

• Waste reduction and material circularity
Waste reduction, product design, product/component/material recycling

Note 2:

ESG and Sustainability Data Collection Notes

We are developing our ESG and sustainability data collection and reporting, with the goal providing our stakeholders with relevant and transparent data. We are actively improving our data management and quality so that we align with the GHG Protocol’s five principles of Relevance, Completeness, Consistency, Transparency, and Accuracy. Important notes to this year's ESG Report are as follows:

Business changes impacting ESG and sustainability data: No mergers or acquisitions impacted ESG and sustainability data for FY24.

Revised ESG and sustainability indicators: Some numbers from previous financial years have been restated to correct errors and strengthen data quality in previously published data.
• Scopes 1, 2, and 3 for FY22 have been restated, as we discovered errors in the data reported. The change has resulted in an increase in emissions reported. Recalculation was triggered due to updated data sources and calculation methodology.

Environmental Indicators Accounting Practices:

Scope 1 covers direct GHG emissions from sources that are controlled by the company. We have the following sources of Scope 1 emissions:

• Consumption of natural gas and LPG/propane
• Consumption of fuels, both at production sites and in company cars. As it is not possible to collect complete fuel or driving data for our company vehicles, emissions are calculated using financial spending data, invoices, and receipts.
• Refilling of refrigerants has not been able to be determined yet, so we have used a standardised yearly estimate based on accurate square footage/meterage of office and warehouse spaces.

Scope 2 covers indirect GHG emissions from the generation of electricity and heat. We disclose Scope 2 emissions according to the location-based method and will apply a market-based method when required. Consumption of electricity at our offices and warehouses is based on standardised number of kWh.

Scope 3 covers indirect GHG emissions from the 15 categories as outlined in the GHG Protocol Corporate Standard. We have included 11 categories, with the exclusion of Category 10 Processing of Sold Products, Category 13 Downstream Leased Assets, Category 14 Franchises, and Category 15 Investments. These categories are not relevant to Tristel.

Chairman's Corporate Governance Report

Chairman's Corporate Governance Review

This Corporate Governance Report is in compliance with the Quoted Companies Alliance ("QCA") Corporate Governance Code.

As Chair of the Board of Directors, corporate governance is my responsibility. By following the QCA code, my Board colleagues and I seek to ensure that the Company operates efficiently and effectively and communicates well to promote confidence and trust in the Company's Board and Management. The Board aims to balance the interests and expectations of the Company's many shareholders and stakeholders by observing a transparent set of rules, practices and processes. I believe that by adhering to this clear set of guidelines which clarify authority and responsibility, requiring constant measurement and review, the Company is best placed to manage risk and achieve a high level of performance, both of which are pre-requisites to the Company's long-term success.

Corporate Governance Review

The London Stock Exchange's AIM Rule 26 requires all AIM quoted companies to give details of the corporate governance code that they have decided to apply, to explain how they comply with their chosen code, and, if they depart from the chosen code, to explain where and why. In the Board's view, there are two obvious choices of code: the FRC'S UK Corporate Governance Code and the QCA's Corporate Governance Code (the "QCA Code"). The latter has been drafted with SMEs in mind and we have chosen to apply it.

Each year the Board carries out a review of the requirements of the QCA Code and AIM Rule 26, with respect to both its governance arrangements and practices, and its reporting. The key changes that have resulted from this review during the year ended 30 June 2024, are:

• An update to this Corporate Governance Report
• Completion of a strategic review, in conjunction with the Company's North American product launch, resulting in re-defined strategic objectives and financial goals
• Completion of an external Board effectiveness review, and implementation of the resulting proposals
• Setting of personal objectives for Executive Management
• Further enhancement to Board reporting enabling improved insight into business activities
• A review and update to the Executive Management succession plan
• Formulation of an ESG strategy and setting of targets

Corporate Governance Code

The QCA Code is based on the principle that companies need to deliver growth in long-term shareholder value. This requires an efficient, effective, and dynamic management framework and should be accompanied by good communication which helps to promote confidence and trust. The QCA Code takes key elements of good governance and applies them in a manner which is workable for the different needs of growing companies. It is constructed around ten broad principles and a set of disclosures. Companies are asked to provide an explanation of how they are meeting the principles through the prescribed disclosures. Where a company departs from these principles the Board is asked to provide a well-reasoned explanation for doing so. The following section of this Corporate Governance Report seeks to provide this.

Principle 1 - Establish a strategy and business model which creates long-term value for shareholders

The Board reviews and re-sets the Company's strategic goals annually. In July 2023 the primary goals were re-set, as:

Corporate

• Maximise the Company's value to all stakeholders

Medical device decontamination (Tristel brand)

• Through technological innovation maintain our position as the gold standard manual process for High Level Decontamination of medical devices.

Healthcare surface disinfection (Cache brand)

• To become the global market leader in sporicidal surface disinfection

Secondary objectives and goals form part of the strategic plan and make an essential contribution to how the Company will deliver medium to long-term growth.

ESG

Tristel plc is a parent company which, based on group-level reporting and being an unquoted company, meets the thresholds for SECR requirements for disclosing the combined energy use and emissions of all subsidiaries. None of the subsidiaries individually meet the thresholds of reporting if each were assessed on their own, so we are not required to disclose our emissions, however, we have chosen to provide our UK-based energy emissions within the SECR table. Tristel plc, as an unquoted company, will only report on UK-based energy use and associated emissions. We have not included the associated energy use and emissions from our overseas subsidiaries.

We are engaging in SECR disclosures to report energy use and carbon emissions in alignment with the Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

The Company has a clear strategic plan set by the Board, including financial performance targets, an approach to risk, and a vision of the values necessary and appropriate to achieve the plan. These are described with the Chief Executive's Report via internal reporting and interaction between the Board, Management and staff, there is company-wide understanding of how shareholder value will be derived from these principles.

The key risks to the company delivering upon its strategic objectives are:

- Competing technologies
- Divergence by regulators away from chemical disinfectant products
- A shift in market acceptance of manual decontamination systems

The risks are addressed through product development, enabling the benefits of alternative systems to be incorporated into our offering whilst maintaining its existing unique and very high performance qualities.

The business strategy, financial targets and key risks are clearly stated within our Annual Report to ensure that Shareholders can see how the Board intends to deliver long term shareholder value and security, whilst protecting it from unnecessary risk.

Principle 2 - Seek to understand and meet shareholder needs and expectations

The Chief Executive and Chief Financial Officer are the key shareholder liaison contacts alongside the company's public relations advisors.

The Board actively engages with both institutional and private shareholders on at least four occasions each year, each in a forum which allows it to hear investors' views and answer their questions face to face. The Company's NOMAD and public relations advisors provide written investor feedback after all investor presentations and meetings, which are shared with the Board. Via communication with the Company's NOMAD and analyst, together with Regulatory News Service announcements and the Company's Annual Report, the Board gauges investor sentiment, sets expectations and communicates the Company's intentions

The Board sees all write ups on the Company by the financial press, monitors popular online bulletin boards and has a series of online facilities in place that provide a conduit between the Company and its shareholders. AGM voting recommendations and trends are reviewed by the Board and actions taken when there is evidence that shareholders expectations are not being met.

The Board feels that it has achieved a high level of shareholder engagement and continually seeks ways to further enhance this.

Principle 3 - Take into account wider stakeholder and social responsibilities and their implications for long-term success

Management's close day to day connection with employees combined with regular engagement surveys, staff meetings, education sessions and social events ensure good relations with and between employees. These activities allow employees to share their views on how the Company can ensure greatest chance of success for its products, processes and outcomes, as well providing a positive work environment. The Board's assessment is that the Company's culture is energetic, candid and considerate, which is reflected in the achievement of its strategic goals.

An appropriate and positive relationship with suppliers, advisors and customers is a pre-requisite of the successful operation of the Company and exists in all areas of the business. The Company seeks to find innovative solutions to issues presented by customers which not only strengthens their good relations but provides immediate feedback allowing the Company to continually re-evaluate its strategic positioning and product offering. Product design and development, which has been vital to the Company's success, is at the heart of the business operation and is driven by the close understanding between Management and end users of the Company's products.

The management team works closely with regulators, key opinion leaders and authors of clinical guidelines in all countries, seeking counsel and working in cohort when appropriate. Effective connections and relationships are key to the success of the business and via these networks the Company has built strong barriers to competition, consisting of the inclusion in guidelines, studies, published papers, and medical device manufacturer care cards. These relationships and their outcomes, combined with the Company's proprietary formulation of chlorine dioxide and extensive patent protection, give the Board confidence that long term success can be achieved by the Company in accordance with its strategic plan.

Post market surveillance and effective complaints and feedback handling are a mandatory element of the Company's quality accreditation and enable an invaluable feedback loop into future product development.

ESG

Full details of the Company's ESG strategy, goals and activities can be found in the ESG report. In addition to the items outlined within the ESG report, the Company will continue its community and social activities, which currently include:

- Support of local and small businesses
- Sponsorship of local amateur and school sports teams
- Support of charities connected to the company's staff and its local community
- Staff fundraising events
- Walking and sports events for staff, friends and families

The Board is involved in setting the Company's ESG strategy, has oversight on activities and receives regular reporting on KPIs and the achievement of goals. ESG is discussed in depth as part of the Board's annual Strategy Day, during which it was agreed to:

- Adopt the ESG strategy, goals and KPIs above
- Consider which ESG accreditations and guidelines that it may seek to adopt, to further enhance the Company's ESG profile.
- Enhance the Annual report and Company website to provide clear updates to readers on the Company's ESG activities.

Principle 4 - Embed effective risk management, considering both opportunities and threats, throughout the organisation

Business opportunities, wins, losses and threats are shared by the Management team with the Board. Risks and their mitigating factors are documented, with high-risk situations immediately acted upon. Health & safety risk assessments are a high priority given the nature of the business as a chemical manufacturer and are completed on a continual basis. Operational risks and uncertainties are discussed daily within the business in departmental meetings. A Business Continuity and Disaster Recovery plan has been updated in the year with scenario planning events taking place twice a year. Financial risks are considered by the Board at each Board meeting. The Board is provided with global sales and cash information daily, allowing it to quickly respond in fast-moving situations.

The Board ensures the risk management and related control systems are effective through internal review and assessment, which is part of its continuous improvement strategy.

Principle 5 - Maintain the Board as a well-functioning, balanced team led by the Chair

In addition to daily access to sales numbers and the cash position of the Company, the Board receives detailed information and reporting from every geographical and functional part of the business, direct from the responsible individuals. The information is high quality and comprehensive, ensuring that the Board is well informed and has the tools to facilitate proper assessment of matters which require its insight and decision making.

The Board believes that there is an appropriate balance between Executive and Non-Executive Directors on the Board. Isabel Napper is the Senior Independent Non-Executive Director, Bruno Holthof who is the Non-Executive Chair of the Board is also independent. Tom Jenkins and Caroline Stephens are Independent Non-Executive Directors, Tom becoming independent in the final quarter of the prior financial year. David Orr is not considered to be independent by virtue of his directorship and shareholding in Manor packaging, a supplier of cardboard to the Company. David will step down from the Board at the December 2024 AGM having reached the end of his 9-year tenure.

Since the prior year, the Board has complied with the QCA Code’s requirement that at least half of the Board should be independent Non-Executive Directors. It is believed that the mix of non-independent directors bring great specialist, analytical and entrepreneurial attributes to the Board, adding viewpoints and competencies that further enrich it.

The Executive team during the financial year consisted of Tristel’s Chief Executive Paul Swinney and Chief Financial Officer Elizabeth Dixon, who are married, and Bart Leemans. Bart is an Executive Director, alongside his role managing the Group’s French and Belgian operations. Matt Sassone has since taken on the role of Chief Executive following Paul Swinney's retirement in September 2024. At the same time, Bart Leemans stepped down from the Board to focus on his European role.

All Directors are encouraged to foster an attitude of independence of character and judgement. The relevant experience, skills, and personal qualities that each Director brings to the Board are detailed within the Directors Biographies, published within the Remuneration Report. Each Director keeps their skillset up to date by reading relevant publications and attending external training and personal development courses and workshops.

Each Non-Executive Director is expected to give at least 16 days per annum to the Company’s business.

Principle 6 - Ensure that the Directors collectively have the appropriate skills, capabilities and experience

The Board consists of individuals with backgrounds and experience in publicly and privately-owned healthcare, commerce, finance, legal and manufacturing organisations. Collectively, the Board’s members have a wide range of experience, personal qualities, and capabilities.

The Board contains three Executive Directors, two male and one female, and of five Non-Executive Directors, two are female and three male. In all new appointments the Board aims to appoint candidates who bring new and diverse attributes to its complexion.

In accordance with the QCA Code Non-Executive Directors are only eligible to serve for up to 9 years. At each Annual General Meeting, at the discretion of the Nominations Committee, all directors are put forward for re-election.

Principle 7 - Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The performance and effectiveness of the Board, its committees and individual Directors is reviewed by the Chair and the Board on an ongoing basis. Training is available should a Director request it or if the Chair feels it is necessary.

The performance of the Board was measured during the year in conjunction with an external consultancy; alongside the Chair's own assessment, in part via reference to the Company's achievement of its strategic goals. The performance of the Chair is assessed annually by the Senior Independent Non-Executive Director. The performance of the CEO and CFO is assessed annually by the Chair. The performance of other Executive Directors is assessed annually by the CEO. And the performance of the NEDs is assessed annually by the Chair.

Actions that have resulted from the Board review include:

• In addition to regular reviews, specific in-depth appraisals to be included in the FY24 Board agenda on matters of current significance such as risks, overseas expansion plans and ESG actions. Thee reviews have facilitated an improved understanding by the Board of key subject matters pertaining to the Group's performance and expansion plans.

• Specific succession planning actions. The Board has successfully concluded the recruitment and induction of its new CEO Matt Sassone.

• Meetings to be arranged between the Chair and investors during FY24. Meetings took place between the Chair and major shareholders, enabling shareholder views to be understood and integrated into the CEO succession process.

• More Board interaction and communication to be scheduled in-between Board meetings NED meetings and Executive updates are now regularly carried out ensuring that the Board is aware of current activities.

The Board has in place a short-term plan to be instigated in the event of the loss or incapacity of the key roles of Chief Executive or Chief Financial Officer. The Board continually assesses the candidacy of staff with respect to succession planning, both within the Company and for future Executive Management vacancies. Senior Managers are invited to attend Board meetings to both observe, present, and discuss topics in their area of responsibility. A talent development and succession plan has been formulated to ensure that the loss of any of the Executive Directors will not negatively impact the business.

Principle 8 - Promote a corporate culture that is based on ethical values and behaviour

The Board promotes a corporate culture that is based on sound ethical values and behaviour through their own actions and words and ensures that these are apparent and understood in every part of the business.

They are embodied in three words which describe the core values of the Company:

- No-nonsense
- Considerate
- Energetic

These values are applied consistently to employee personal development and training programs and form a central part of the Company's day to day operation.

By adhering to these values, the Board believes that the Company will maintain a healthy corporate culture, focusing upon what is important, whilst taking a balanced approach to achieving its goals.

Infection prevention is a vital yet complex area of healthcare, and healthcare providers can be reluctant to change and put their trust in new products. The Board feels that if an honest and straightforward approach is taken, whilst supporting customers through the process of adopting new products, the Company can best achieve its goals.

The relatively flat structure of the Company means that the Board can assess the state of Company's culture easily, which it currently considers to be energetic, candid and considerate, despite the uncertainties affecting the world and felt by us all.

Principle 9 - Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Given that one of the Company's core values is "no-nonsense", the Board seeks to strike a balance between maintaining adequate governance without imposing structures that slow or weaken decision making and progress. The Company's governance structures are fluid and have by necessity adapted over time, hand in hand with the changes to the business.

The Board's members are well informed, have access to all parts of the business and are appropriately equipped through their own skills, experience, and personality to make good, and where appropriate fast, business decisions.

At each Board meeting the Key Performance Indicators (KPIs) considered most relevant to the business are presented and discussed. Such KPIs are continually developed to ensure that the Board is kept adequately informed and able to take the appropriate actions. The KPI reporting include a number of measures, focussing upon operational performance, financial performance, Quality Management System adherence and ESG targets. Periodically, normally annually, a corporate risk register is presented to the Board and mitigating actions agreed.

Principle 10 - Communicate how the Company is governed and is performing by maintaining dialogue with Shareholders and other relevant stakeholders

This Corporate Governance Report is included within the Company's annual report and the Corporate Governance section of the Tristel website. It is reviewed and updated regularly. In addition, the Board regularly enters dialogue with shareholders who have an interest in matters of governance, diversity and ethics in order that shareholders views can be properly voiced and brought to bear within the business.

Board of Directors

The Company is controlled by the Board of Directors, which at the year end comprised three Executives, one of whom is the Chief Executive Officer, and five NEDs. The role of the Chief Executive Officer and Chair are separate. The Executive Directors are full time employees of the Company; the NEDs are part time employees who are required to give at least 16 days per annum to their role. At the date of this report the following changes have taken place to the Board's composition:

Paul Swinney CEO and founder has retired
Matt Sassone has been appointed as CEO
Bart Leemans has stepped down as Executive Director

In addition, the Nomination's Committee will not be recommending David Orr for re-election at the December 2024 AGM on account of his nine year tenure on the Board.

All Directors can take independent advice to assist them in their duties if necessary.

The Board is responsible to shareholders for the proper management of the Company and meets formally at least six times a year to set the overall direction and strategy of the Company, to review operating and financial performance and to consider and advise on senior management appointments. The Board also monitors and approves financial policy and budgets, including capital expenditure. All key decisions are subject to Board approval.

The Company Secretary is responsible for ensuring that Board procedures are followed and that all applicable rules and regulations are complied with. The Company Secretary, Heidi Allard, is supported and guided in her role by the Company's legal advisors.

Board and committee attendance

The Board met seven times during the 2023-24 financial year and its committees met a further six times in accordance with their terms of reference. The attendance of the Directors at these meetings is detailed below.

On the occasions when a Director is unable to attend a meeting, any comments he or she has arising from the information pack circulated prior to the meeting are provided to the Chair.

2023-24	Eligible to attend	Attended
Bruno Holthof	11	10
Paul Swinney	9	9
Elizabeth Dixon	9	9
Bart Leemans	7	7
David Orr	11	10
Tom Jenkins	13	12
Isabel Napper	13	12
Caroline Stephens	13	13

Committees of the Board

Remuneration Committee

The Remuneration Committee operates under terms of reference which are reviewed annually, meeting at least once per year, and comprises all Independent Non-Executive Directors chaired by Isabel Napper, Senior Independent Non-Executive Director (SINED).

It reviews, inter alia, the performance of the Executive Directors and sets the scale and structure of their remuneration and basis of their service agreements, having due regard to the interests of the shareholders. The Remuneration Committee also determines the allocation of share options to Executive Directors. No Director has a service agreement exceeding one year. One of the policies of the Remuneration Committee is that no individual participates on discussions or decisions concerning his/her own remuneration. The Directors' Remuneration Report is set out in the Annual Report where the work carried out during the past year is detailed.

Audit Committee

The Audit Committee operates under terms of reference which are reviewed annually and comprises all Independent Non-Executive Directors except the Chair of the Board, in line with QCA guidelines.

The Audit Committee is chaired by Caroline Stephens, supported by Tom Jenkins, both Independent Non-Executive Directors (INEDs). Tom is a qualified Accountant and as such has the relevant knowledge and experience required to facilitate the proper functioning of the Committee. The Committee meets twice a year and, amongst other duties, overviews the monitoring of the Company's risk profile, internal financial controls, accounting policies and financial reporting, and provides a forum through which the external auditors report. It meets at least once a year with the external auditors.

The Company does not comply with the QCA's requirement to publish a separate Audit Committee Report as it believes that the information provided within this Corporate Governance Report gives shareholders adequate information on the committee's activities.

During the 2023-24 year the Audit Committee met on two occasions to:

- Discuss findings and hear recommendations arising from the annual audit
- Discuss with the Company's external auditors matters such as compliance with accounting standards
- Monitor the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company and other related requirements
- Consider the performance and value for money of the Company's external auditors
- Approve the appointment of the Company's external auditors, including their terms of engagement and fees.

The Audit Committee reported formally to the Board on proceedings after each meeting.

Nominations Committee

The Nominations Committee operates under terms of reference which are reviewed annually, comprises all Non-Executive Directors and the CEO and is chaired by Bruno Holthof, Non Executive Chair of the Board.

The Nominations Committee considers the performance and effectiveness of the Board and its Directors; whether Directors retiring by rotation should be put forward for re-election at the Annual General Meeting; to consider succession planning for Directors and other senior executives; and to identify and nominate for the approval of the Board candidates to fill Board vacancies as and when they arise.

During the year the significant actions arising from the Committee were:
• Implementation of a Board review and implementation of resulting actions
• Appointment of a new CEO

External consultants Nurole were appointed during the year to complete a review of the effectiveness of the Board and that of the individual Directors, in relation to the following categories:
• Strategy and business
• Risk management and ESG
• Composition and Diversity
• Board dynamics and process
All directors were provided with qualitative feedback to further enhance their contribution to Board functioning.

The performance of the Board and its individual Directors is also viewed in the context of the Company's achievement of its strategic goals. During the 2023-24 year these were:
• To meet the Group's profit target.
• To increase sales by between 10% and 15% per annum.
• To increase the Company's value to shareholders.

All three objectives were achieved during the year.

Directors are subject to election by shareholders at the first opportunity after their appointment. In addition, all Board members retire at each Annual General Meeting, and at their own request alongside the recommendation of the Nominations Committee, are put forward for re-election.

Relations with shareholders

The Board recognises the importance of effective communication with shareholders and encourages regular dialogue with both institutional and private investors. The Board responds promptly to communications received verbally or in writing. Directors regularly attend meetings with both private and institutional shareholders throughout the year. Shareholders are given at least 21 days' notice of the Annual General Meeting held in December and are invited to attend a Shareholder Open Day held in July each year. At all investor meetings shareholders are given the opportunity to discuss the development and performance of the Company with Management and the Group's senior team.

The Company's website www.tristelgroup.com and 'X' feed (previously known as Twitter) @TristelGlobal contain details of its products, promotional activities, investor relations events, share price details and Regulatory News Service (RNS) announcements.

Maintenance of a sound system of internal control

The Directors have overall responsibility for ensuring that the Company maintains a system of internal control to provide them with reasonable assurance that the assets of the Company are safeguarded, and that shareholders' investments are protected. The system includes internal controls appropriate for the Company's size, and covers financial, operational, compliance (including health and safety) and risk management areas. There are limitations in any system of internal control, which can provide reasonable but not total assurance with respect to the preparation of financial information, the safeguarding of assets and the possibility of misstatement or loss.

The Board continually considers its policies regarding internal control, risk management and business reporting with respect to the major areas of the business and methods used to monitor and control them. In addition to financial risk, the reviews cover operational, commercial, regulatory and health and safety risks. Internal audit activities are currently limited to the Company's Quality Management System controls. An expansion of this activity to include accounting processes and corporate governance will be considered as the Company develops.

Control environment

There is an organisational structure with clearly defined lines of responsibility and delegation of accountability and authority.

Bruno Holthof
Non Executive Chair

The directors present their report and the financial statements for the year ended 30 June 2024.

Results and dividends

The Group achieved a profit for the year after taxation amounting to £6.5m (2023: £4.5m).

A final dividend of £3.7m (7.88p per share) was paid during the year in respect of the year ended 30 June 2024. (2023: £1.8m, 3.93p per share). An interim dividend of £2.5m (5.24p per share) was paid during the year in respect of the year ended 30 June 2023 (2022: £1.2m, 2.62p per share)

The Board is recommending a final dividend of 8.28p per share for the year ended 30 June 2024 (2023: 7.88p per share). If approved, the total distribution of dividends for the year ended 30 June 2024 will be £6.4m (2023: £5.0m).

A review of the Group's performance for the year ended 30 June 2024 is contained in the Strategic Report.

Directors' of the company

The directors, who held office during the year and up to the date of this report, were as follows:
BLM Holthof
PC Swinney (resigned 2 September 2024)
M Sassone (appointed 2 September 2024)
EA Dixon
BVM Leemans (resigned 2 September 2024)
DWE Orr
TAJ Jenkins
IJS Napper
CJ Stephens

The Group provides Directors and Officers indemnity insurance for the benefit of the Directors of the Group. For the year to 30 June 2024 the policy cost £61,500 (2023: £63,500).

Details of Directors' interests in the share capital of the Company are disclosed in the Directors' Remuneration Report set out on pages 26 to 30.

SECR

As regulations introduced under the UK government's commitment to Net Zero, the 2019 Streamlined Energy and Carbon Reporting (SECR) directive ensures businesses are transparent about energy use. Therefore, we provide our SECR report, which includes our methodology and energy efficiency actions taken within the year and provides UK-based only data as required of an unquoted company.

Tristel plc, as a parent company based on group-level reporting and being an unquoted company, meets the thresholds for SECR requirements for disclosing the combined energy use and emissions of all subsidiaries. However, as none of the subsidiaries individually meet the thresholds of reporting if each were assessed on its own, we could employ the option to not disclose the emissions, however, in line with best practices, we have elected to include our UK-based energy emissions for FY24 within the SECR table within the ESG Report. Tristel plc, as an unquoted company, will only report on UK-based energy use and associated emissions that are required per SECR, and not include the associated energy use and emissions from overseas subsidiaries.

We are engaging in SECR disclosures to report energy use and carbon emissions in alignment with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018

Political donations

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Financial instruments

Detail on financial risk management can be found in note 26.

Business relationships

It is a requirement of Companies Act 2006 that Large companies include in their Directors' report a statement summarising both the need and manner in which the directors have fostered business relationships with key stakeholders and the effect of these interactions, including on the principal decisions taken by the company during the year.

The Section 172 statement within the Strategic Report on page 20 addresses these disclosures.

Substantial shareholdings

Except for the Directors’ interests in the shares of the Company, as given in the Directors' remuneration report on page , the Directors are aware of the following who were interested in 3% or more of the Company’s equity at 30 June 2024:

	No. of shares	% of issued share capital
Liontrust Asset Management	5,047,658	10.62%
Charles Stanley Stockbrokers	4,172,252	8.78%
Aviva Investors	3,121,813	6.57%
Montanaro Asset Management	3,111,514	6.55%
Investec Wealth & Investment	2,293,267	4.82%
BGF	2,220,271	4.67%
Interactive Investor (EO)	2,055,806	4.32%
Hargreaves Lansdown, stockbrokers (EO)	2,032,461	4.28%
Unicorn Asset Management	1,960,329	4.12%
Rathbones	1,624,352	3.42%
Danske Bank Asset Management	1,521,102	3.20%

Principal risks and uncertainties

Reference to this topic can be found within the Strategic report on pages 2 to 21.

Research and Development

Reference to the Groups primary research and development advancements can be found within the Chief Executive’s report on page 6. During the year £0.2m (2023: £0.7m) was expensed and £0.7m (2023: £0.9m) capitalised in respect of product development.

Future developments

After the year end the Group submitted its second product, Tristel OPH, to the United States Food and Drug Administration (FDA), seeking 510(K) clearance for sale. This application utilises Tristel ULT, cleared for sale by the FDA in June 2023, as a predicate device and is part of a planned programme of North America product launches.

Post balance sheet events

There were no significant post balance sheet events to report.

Disclosure of information to the auditor

The directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Group’s auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company’s auditor is aware of that information.
- The Directors confirm there are no branches outside of the United Kingdom
- The Directors confirm there were no acquisition of Group's own shares

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Grant Thornton UK LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on and signed on its behalf by:

Elizabeth Dixon
Chief Financial Officer

18 October 2024

Tristel Plc

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and they have elected to prepare the parent Company financial statements on the same basis.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Tristel Plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Tristel Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2024, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 30 June 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the reasonableness of management's projected cash flow and working capital assumptions and evaluating the revenue and cost projections underlying management's cash flow model;

- Assessing the accuracy of management's historical forecasting by comparing management's forecasts for the years ended 30 June 2024 and 30 June 2023 to the actual results for those periods and considering the impact on the base-case cash flow forecast;
- Assessing how these cash flow forecasts were compiled, assessing their appropriateness by applying relevant sensitivities to the underlying assumptions, and challenging those assumptions including revenue and cost growth assumptions;
- Considering the post year-end performance compared to the budgeted forecasts;
- Evaluating management's reverse stress test to identify the scenario which would result in the removal of the cash headroom during the assessment period and assessing the probability of such a scenario; and
- Assessing the adequacy of related disclosures within the annual report.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the Parent Company's business model including effects arising from macro-economic uncertainties such as inflation and changes in the public spending, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the Parent Company's financial resources or ability to continue operations over the going concern period.

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 and 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.

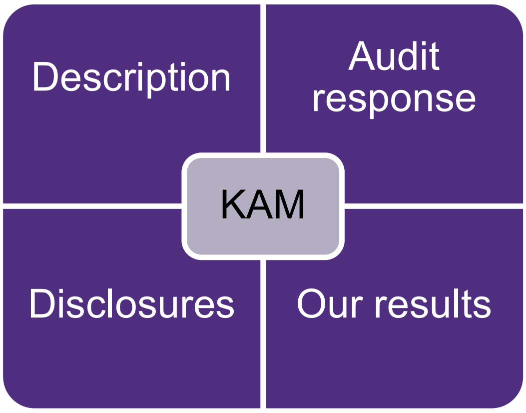
Our approach to the audit

	Overview of our audit approach
GrantThornton 	Overall materiality: Group: £353,000, which represented 5% of the Group's Profit Before Tax at the planning phase of our audit. Parent company: £310,000, which represented c1% of the Parent Company's total assets. Parent Company component materiality has been capped for Group audit purposes.
	A key audit matter was identified as risk of fraud in revenue recognition, specifically in relation to transactional outliers (same as previous year).
	We performed: • An audit of the financial information using component materiality (full scope audit) of two components, Tristel plc (Parent Company) and Tristel Solutions Limited. • Specified audit procedures on the financial information of two components (Scorcher Idea Limited and Tristel New Zealand Limited), to gain sufficient appropriate audit information at Group level. **Components auditors performed:** • Full scope audit of one component based in Germany, Tristel GMBH; and

	• Specified audit procedures of two components, Tristel SAS and Tristel Pty Limited to gain sufficient appropriate audit information at Group level. Full scope audit or specified audit procedures were performed on the financial information of the components representing 79% of the Group's revenue and 98% of the Group's profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter – Group	How our scope addressed the matter – Group
Risk of fraud in revenue recognition, specifically in relation to transactional outliers We identified the risk of fraud in relation to revenue recognition, specifically in relation to transactional outliers as one of the most significant assessed risks of material misstatement due to fraud. There is an incentive for performance to be inflated through improper revenue recognition. This risk is therefore judged to be due to fraud. As the vast majority of the Group's revenue is recognised at a point in time and is made up of a high volume of relatively low value transactions, we have pinpointed our fraud risk to those transactions that do not follow the expected transaction flow which we define as outliers.	In responding to the key audit matter, we performed the following audit procedures: • Obtained an understanding and assessed the reasonableness of the design and implementation of processes and controls relating to the recognition of revenue across the Group. • Performed revenue audit data analytics procedures to identify transactions that do not follow the expected transaction flow impacting the revenue cycle. • Performed testing on the integrity of the source data used in the revenue audit data analytics. This included testing a sample of revenue transactions to supporting evidence such as invoice, remittance, cash receipt and proof of delivery; and • Performed testing on those transactions that do not follow the expected transaction flow by agreeing them to supporting evidence to conclude that they were appropriate revenue transactions.
Relevant disclosures in the Annual Report and financial statements • Financial statements, Note 3 Segmental Analysis	**Our results** Based on our audit work, we did not identify any material misstatements in relation to revenue transactions which did not follow the expected transaction flow.

Key Audit Matter – Parent Company

We did not identify any key audit matters relating to the audit of the financial statements of the Parent Company only.

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

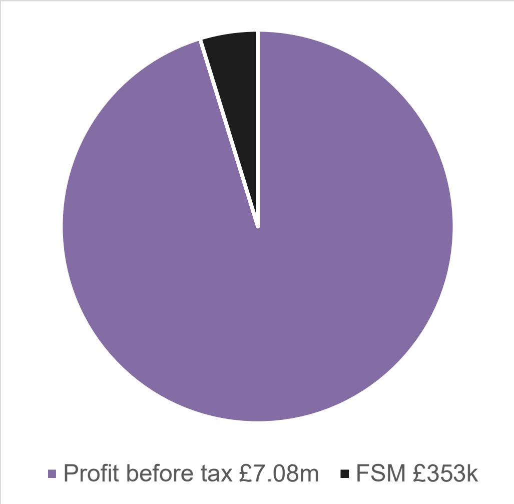
Materiality was determined as follows:

Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£353,000 (2023: £310,000), which represented 5% of Profit Before Tax (PBT) at the planning phase of the audit. The range of component materialities used across the Group (where work is being performed to component materiality) was £141,000 to £229,000.	£310,000 (2023: £171,000), which represented c1% of the Parent Company's total assets. Parent Company component materiality has been capped for Group audit purposes.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: • Profit Before Tax was considered the most appropriate benchmark for the Group because in our view, it is the most reflective of the performance of the business and is of most interest to the key stakeholders. Materiality for the current year is higher than the level that we determined for the year ended 30 June 2023 reflecting the increase in the Group's Profit Before Tax.	In determining materiality, we made the following significant judgements • Total assets was considered the most appropriate benchmark because the Parent Company's purpose is to hold investments in its subsidiary companies and does not trade. Materiality for the current year is higher than the level that we determined for the year ended 30 June 2023 reflecting the increase in the Parent Company's total assets.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£212,000 (2023: £186,000), which is 60% (2023: 60%) of financial statement materiality.	£201,500 (2023: £102,600), which is 65% (2023: 60%) of financial statement materiality.

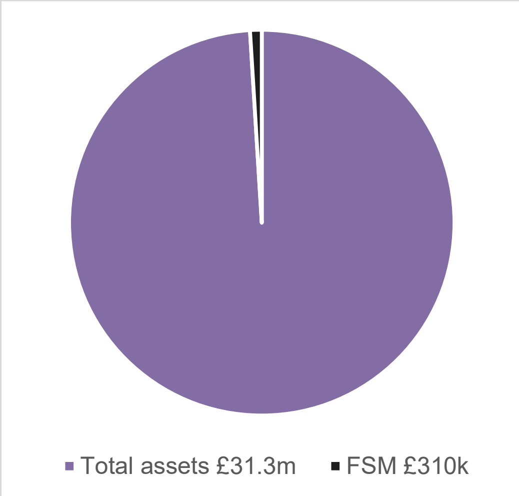
Materiality measure	Group	Parent company
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: • Whether there were any significant audit adjustments made to the Group and Parent Company's financial statements in the previous year • Whether there were any significant control deficiencies identified in the previous year	
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: • Director's remuneration; and • Related party transactions	
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£17,700 (2023: £15,500), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£15,500 (2023: £8,550), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality and the range of component materiality interacts with our overall materiality and the threshold for communication to the audit committee.

Overall materiality - Group



Overall materiality – Parent Company



FSM: Financial statement materiality, PM: Performance materiality, RoM: Range of materiality across the three components where component materiality was applied, TfC: Threshold for communication to the audit committee.

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the Group's and the Parent Company's business and in particular matters related to:

Understanding the Group, its components, their environments, and its system of internal control including common controls

- Obtained an understanding of the Group and its environment, including Group-wide controls, and assessed the risks of material misstatement at the Group level; and
- Evaluation of the design and implementation of controls over the financial reporting systems and effectiveness of the control environment as part of our risk assessment.

Identifying significant components

We assessed quantitative and qualitative factors to identify components which are significant to the Group. We considered components in terms of their nature and influence on the Group and any individual component which is financially significant to the Group. This was assessed based on the contribution to the Group's revenue.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

We identified the risk of fraud in relation to revenue recognition, specifically in relation to transactional outliers to be a key audit matter in respect of the Group's financial statements and the procedures to address this are included in the key audit matters section above.

In order to address the audit risks identified during our planning procedures, including the key audit matter as set out above, for the Parent Company and other financially significant components requiring a full-scope approach, we evaluated the design and implementation of controls over the financial reporting systems identified as part of our risk assessment. We then undertook substantive testing on significant transactions and material account balances and consolidation adjustments.

For components identified for specified audit procedures, audit procedures were performed on a number of transactions and balances to provide us with sufficient coverage in these areas.

Individually financially significant components were identified as Tristel Plc, Tristel Solutions Limited and Tristel GMBH. These three components were subject to full-scope audits and represent 61% of the Group's revenue and 93% of the Group's Profit Before Tax.

The work in relation to Tristel Plc and Tristel Solutions Limited was performed by the Group engagement team. The work in relation to Tristel GMBH was performed by an overseas component auditor.

Four components were identified for specified audit procedures on specific financial statements line items. The work on these components was targeted according to the nature of the financial statement line items within these components. Work in relation to two of these components was performed by overseas component auditors with the remaining two being performed by the Group engagement team.

The remaining 12 components were subject to analytical procedures commensurate with their significance to the Group's results and financial position.

Performance of our audit

In total, percentage revenue coverage of full-scope audit and specified audit procedures equated to 79% of group revenue, 98% of group profit before taxation and 81% of the group total assets. The Group engagement team either performed the audit work themselves or visited the component auditors for components where full-scope audits had been performed.

Audit approach	No. of components	% coverage total assets	% coverage revenue	% coverage PBT
Full-scope audit	3 (2023: 3)	70% (2023: 71%)	61% (2023: 57%)	93% (2023: 87%)
Specified audit procedures	4 (2023: 5)	11% (2023: 17%)	18% (2023: 24%)	5% (2023: 5%)
Analytical procedures	16 (2023: 14)	19% (2023: 12%)	21% (2023: 19%)	2% (2023: 8%)
Total	**23 (2023: 22)**	**100%**	**100%**	**100%**

Communications with component auditors

The Group engagement team communicated with three overseas component auditors, throughout the stages of their work, from planning, through fieldwork and as part of the concluding procedures. In addition, members of the Group engagement team, including the Group engagement partner, visited Germany to meet the component auditor and review their working papers. The Group engagement team remotely reviewed the working papers of the other two overseas component teams.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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

- the information given in the 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities statement as set out on page 72, 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.

Auditor's 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 auditor's 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the Group and Parent Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework, (UK-adopted international accounting standards, the Companies Act 2006, AIM Rules for Companies, and relevant tax legislation for the jurisdictions in which the Group operates);
- We obtained an understanding of how the Group and Parent Company are complying with those legal and regulatory frameworks by making inquiries of management, the Audit Committee and other personnel within the organisation. We corroborated inquiries through our review of Board and Audit Committee minutes.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur. Audit procedures included:

- Identifying and assessing the design and implementation effectiveness of management's controls designed to prevent and detect irregularities including fraud;
- Challenging assumptions and judgements made by management in its evaluation of accounting estimates;
- Identifying and testing those journal entries matching certain risk criteria which may be indicative of irregularity.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner has assessed that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulations and this was achieved through adherence to internal quality control procedures and through planning and stand back meetings to identify and follow up on non-compliance risks.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the Group financial statements.

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 auditor's report.

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 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.

Joanne Love
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
18 October 2024

Tristel Plc

Consolidated Income Statement for the Year Ended 30 June 2024

	Note	2024 £ 000	(As restated) 2023 £ 000
Revenue	3	41,933	36,009
Cost of sales excluding depreciation		(7,974)	(7,661)
Depreciation included within Cost of sales		(381)	(430)
Total Cost of sales		(8,355)	(8,091)
Gross profit		33,578	27,918
Distribution costs		(327)	(323)
Administrative expenses:			
Share based payments		(1,089)	(1,061)
Depreciation, amortisation and impairments		(2,392)	(2,188)
Other		(22,788)	(19,069)
Total Administrative expenses		(26,269)	(22,318)
Other operating income		-	4
Operating profit	4	6,982	5,281
Finance income		318	10
Finance costs		(218)	(179)
Net finance income/(cost)		100	(169)
Profit before tax		7,082	5,112
Income tax expense	8	(593)	(651)
Profit for the year		6,489	4,461
Profit attributable to :			
Owners of the company		6,489	4,461

The notes on pages 96 to 175 form an integral part of these financial statements.

Earnings per share from total and continuing operations attributable to equity holders of the parent

	Note	2024	2023
Basic - pence	22	13.68	9.44
Diluted - pence	22	13.54	9.34

The above results were derived from continuing operations.

The prior year has been restated to align to IAS 2 in relation to classification of expenditure included in cost of sales, the restatement has no effect on the Profit for the year and is fully disclosed in Note 27

Tristel Plc

Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2024

	2024 £ 000	2023 £ 000
Profit for the year	6,489	4,461
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation losses	(368)	(216)
Total comprehensive income for the year	6,121	4,245
Total comprehensive income attributable to:		
Owners of the company	6,121	4,245

Tristel Plc

(Registration number: 04728199)

Consolidated Statement of Financial Position as at 30 June 2024

	Note	30 June 2024 £ 000	30 June 2023 £ 000
Assets			
Non-current assets			
Property, plant and equipment	9	3,364	2,922
Right of use assets	9	5,538	4,905
Goodwill	11	4,997	5,156
Intangible assets	12	4,885	4,757
Deferred tax assets	8	613	1,286
		19,397	19,026
Current assets			
Inventories	14	4,681	4,569
Trade and other receivables	15	7,524	7,081
Income tax asset	8	718	1,146
Short-term investments	17	5,650	2,432
Cash and cash equivalents	16	6,139	7,113
		24,712	22,341
Total assets		44,109	41,367
Equity and liabilities			
Equity			
Share capital	18	476	474
Share premium		14,933	14,188
Foreign currency translation reserve		(647)	(279)
Merger reserve		2,205	2,205
Retained earnings		15,443	14,089
Equity attributable to owners of the company		32,410	30,677
Non-controlling interests		-	7
Total equity		32,410	30,684

Tristel Plc

(Registration number: 04728199)

Consolidated Statement of Financial Position as at 30 June 2024 (continued)

	Note	30 June 2024 £ 000	30 June 2023 £ 000
Non-current liabilities			
Other non-current financial liabilities	10	4,830	4,321
Deferred tax liabilities	8	277	599
		5,107	4,920
Current liabilities			
Trade and other payables	20	5,482	4,801
Income tax liability		76	103
Other current financial liabilities	10	1,034	859
		6,592	5,763
Total liabilities		11,699	10,683
Total equity and liabilities		44,109	41,367

Approved by the Board on 18 October 2024 and signed on its behalf by:

Elizabeth Dixon
Chief Financial Officer

Tristel Plc

(Registration number: 04728199)

Company Statement of Financial Position as at 30 June 2024

	Note	30 June 2024 £ 000	(As restated) 30 June 2023 £ 000	(As restated) 1 July 2022 £ 000
Assets				
Non-current assets				
Intangible assets	12	1,086	924	353
Investments in subsidiaries, joint ventures and associates	13	15,414	14,318	13,257
		16,500	15,242	13,610
Current assets				
Trade and other receivables	15	14,151	11,137	8,909
Income tax asset		6	6	6
Cash and cash equivalents	16	380	1,104	1,146
Short-term Investments		350		
		14,887	12,247	10,061
Total assets		31,387	27,489	23,671
Equity and liabilities				
Equity				
Share capital	18	476	474	473
Share premium		14,933	14,188	13,996
Foreign currency translation reserve		63	63	63
Merger reserve		1,727	1,727	1,727
Retained earnings		13,828	10,833	7,175
Total equity		31,027	27,285	23,434
Non-current liabilities				
Deferred tax liabilities	8	9	9	9
Current liabilities				
Trade and other payables		351	195	228
Total liabilities		360	204	237
Total equity and liabilities		31,387	27,489	23,671

The notes on pages 96 to 175 form an integral part of these financial statements.

(Registration number: 04728199)
Company Statement of Financial Position as at 30 June 2024 (continued)

Approved by the Board on 18 October 2024 and signed on its behalf by:

Elizabeth Dixon
Chief Financial Officer

There is a requirement to restate the prior financial year to correct the accounting treatment of a dividend received from a subsidiary undertaking during that period. This is detailed in note 27

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The parent company's profit for the financial year was £8.1m (2023: profit £7.1m restated) which includes a dividend of £9.4m (2023: £8.0m) received from its subsidiary companies.

Tristel Plc

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2024

	Share capital £ 000	Share premium £ 000	Foreign currency translation reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000	Non-controlling interests £ 000	Total equity £ 000
At 1 July 2023	474	14,188	(279)	2,205	14,089	30,677	7	30,684
Profit for the year					6,489	6,489		6,489
Exchange difference on translation of foreign operations			(368)			(368)		(368)
Total comprehensive income	-	-	(368)	-	6,489	6,121	-	6,121
Dividends					(6,224)	(6,224)		(6,224)
New share capital subscribed	2	745				747		747
Share based payment transactions					1,089	1,089		1,089
Dissolution of non-controlling interest							(7)	(7)
At 30 June 2024	476	14,933	(647)	2,205	15,443	32,410	-	32,410

The notes on pages 96 to 175 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2024 (continued)

	Share capital £ 000	Share premium £ 000	Foreign currency translation reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000	Non-controlling interests £ 000	Total equity £ 000
At 1 July 2022	473	13,996	(64)	2,205	13,089	29,699	7	29,706
Profit for the year					4,450	4,450		4,450
Exchange difference on translation of foreign operations			(215)			(215)		(215)
Total comprehensive income	-	-	(215)	-	4,450	4,235	-	4,235
Dividends					(4,511)	(4,511)		(4,511)
New share capital subscribed	1	192				193		193
Share based payment transactions					1,061	1,061		1,061
At 30 June 2023	474	14,188	(279)	2,205	14,089	30,677	7	30,684

Tristel Plc

Company Statement of Changes in Equity for the Year Ended 30 June 2024

	Share capital £ 000	Share premium £ 000	Foreign currency translation reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2023	474	14,188	63	1,727	10,089	26,541
Dividend received (note 27)					744	744
At 1 July 2023 (As restated)	474	14,188	63	1,727	10,833	27,285
Profit for the year					8,130	8,130
Total comprehensive income	-	-	-	-	8,130	8,130
Dividends					(6,224)	(6,224)
New share capital subscribed	2	745				747
Share based payment transactions					1,089	1,089
At 30 June 2024	476	14,933	63	1,727	13,828	31,027

Company Statement of Changes in Equity for the Year Ended 30 June 2024 (continued)

	Share capital £ 000	Share premium £ 000	Foreign currency translation reserve £ 000	Other reserves £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2022	473	13,996	63	1,727	6,431	22,690
Dividend received restatement (note 27)					744	744
At 1 July 2022 (As restated)	473	13,996	63	1,727	7,175	23,434
Profit for the year					7,108	7,108
Total comprehensive income	-	-	-	-	7,108	7,108
Dividends					(4,511)	(4,511)
New share capital subscribed	1	192				193
Share based payment transactions					1,061	1,061
At 30 June 2023	474	14,188	63	1,727	10,833	27,285

Tristel Plc

Consolidated Statement of Cash Flows for the Year Ended 30 June 2024

	Note	2024 £ 000	2023 £ 000
Cash flows from operating activities			
Profit before tax for the year		7,082	5,112
		7,082	5,112
Adjustments to cash flows from non-cash items			
Depreciation of leased assets		1,064	1,000
Depreciation of plant, property and equipment		691	734
Impairment of goodwill		67	68
Amortisation of intangible assets		951	816
Share based payment transactions		1,089	1,061
(Profit)/Loss on disposal of property, plant and equipment		(8)	69
Lease interest		218	177
Other interest		-	2
Finance income		(318)	(10)
		10,836	9,029
Working capital adjustments			
Increase in inventories	14	(112)	(149)
Increase in trade and other receivables	15	(444)	(1,230)
Increase in trade and other payables		671	1,330
Lease interest paid		(218)	(177)
Tax		153	(313)
Net cash flow from operating activities		10,886	8,490
Cash flows from investing activities			
Interest received		318	10
Acquisition of intangible assets	12	(1,044)	(1,570)
Acquisitions of property plant and equipment		(1,138)	(853)
Cash deposit to short-term investments		(3,218)	(2,432)
Net cash flows from investing activities		(5,082)	(4,845)

The notes on pages 96 to 175 form an integral part of these financial statements.

Tristel Plc

Consolidated Statement of Cash Flows for the Year Ended 30 June 2024 (continued)

	Note	2024 £ 000	2023 £ 000
Cash flows from financing activities			
Payment of lease liabilities		(1,022)	(1,126)
Share issues		676	193
Dividends paid	21	(6,224)	(4,511)
Net cash flows from financing activities		(6,570)	(5,444)
Net decrease in cash and cash equivalents		(766)	(1,799)
Cash and cash equivalents at 1 July		7,113	8,883
Effect of exchange rate fluctuations on cash held		(208)	29
Cash and cash equivalents at 30 June		6,139	7,113

Tristel Plc

Company Statement of Cash Flows for the Year Ended 30 June 2024

	Note	2024 £ 000	2023 £ 000
Cash flows from operating activities			
Profit before tax for the year		8,130	7,108
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	138	66
Loss on disposal of property plant and equipment		35	
		8,303	7,174
Working capital adjustments			
Increase in trade and other receivables	15	(3,013)	(2,228)
Increase/(decrease) in trade and other payables		156	(33)
Net cash flow from operating activities		5,446	4,913
Cash flows from investing activities			
Acquisition of subsidiaries	13	(7)	
Acquisition of intangible assets	12	(265)	
Proceeds from sale of intangible assets			(637)
Cash deposit to short-term investments	13	(350)	
Net cash flows from investing activities		(622)	(637)
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of issue costs		676	193
Dividends paid	21	(6,224)	(4,511)
Net cash flows from financing activities		(5,548)	(4,318)
Net decrease in cash and cash equivalents		(724)	(42)
Cash and cash equivalents at 1 July		1,104	1,146
Cash and cash equivalents at 30 June		380	1,104

The notes on pages 96 to 175 form an integral part of these financial statements.

1 Accounting policies

Basis of accounting

These financial statements have been prepared in accordance with UK adopted international accounting standards and in accordance with the provisions of the Companies Act 2006.

Tristel plc, the Group's ultimate parent company, is a public limited company incorporated and domiciled in the United Kingdom.

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 30 June 2024. Subsidiaries are entities over which the Group has rights or is exposed to variable returns from its involvement with the investee and has the power to affect those returns by controlling the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights or IP held.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. These fair values are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Non-controlling interests, presented as part of equity, represent a proportion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the assets of the parent and the non-controlling interests based on their respective ownership interests.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Interests in subsidiaries are accounted for at cost less accumulated impairment losses.

1 Accounting policies (continued)

Audit exemption

The Directors confirm that in accordance with sections 479A and 479C of the Companies Act 2006, Tristel Plc, as parent company of the below entities, has given a parental guarantee to enable those companies to claim exemption from audit. This guarantee relates to the year ended 30 June 2024. The members of these companies have agreed to the exemption from the audit by virtue of the guarantee given by Tristel Plc, for year ended 30 June 2024.

• Tristel International Limited - Registered number 07874262
• Scorcher Idea Limited - Registered number 04602679
• Tristel Solutions Limited - Registered number 03518312

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report, including its cash flows and liquidity position. The strategic report also further describes the Group’s objectives, policies and processes for financial risk management, including credit and liquidity risk, cash flow risk and exchange rate risk.
The financial statements are prepared on the going concern basis which the directors believe to be appropriate for the following reasons

Directors have prepared cash flow forecasts through to December 2025 to assess going concern. The forecasts take account of potential and realistic changes in trading performance, and also include severe yet plausible downside scenarios and reverse stress testing. These scenarios include modelling reductions in revenue and margins and increasing costs, and considering the consequent cash outflow that could result. The directors have also considered the current economic environment, and in particular, recent movements in foreign exchange rates, rising energy costs and inflation in these scenarios. The forecasts indicate that, taking account of severe yet plausible downside scenarios, the Group and Company are able to operate within the level of existing cash resources, which at 30 June 2024 were £6.1m of cash and cash equivalents and short term investments of £5.7m for the group.

Consequently, the directors are confident that that Group and Company will continue to have sufficient funds to continue to meet their liabilities as they fall due for at least the next 12 months from the date of approval of the financial statements and therefore, they have prepared the financial statements on a going concern basis.

1 Accounting policies (continued)

Changes in accounting policy

New standards, interpretations and amendments effective

The following accounting standards and amendments were endorsed by the UK endorsement board in the year ended 30 June 2024

- IAS 12 Pillar 2
- IFRS 17 Insurance contracts

They did not have a material effect on the Group

New standards, interpretations and amendments not yet effective

The following newly issued but not yet effective standards, interpretations and amendments, which have not been applied in these financial statements, will only have a presentational effect on the financial statements in future:

IFRS 18 Presentation and Disclosure in Financial Statements

Will bring new presentation requirements related to the statement of profit or loss, including three new categories for items of income and expense – operating, financing, investing.

Revenue recognition

IFRS 15 establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with an end user or distributor. Applying IFRS 15, the Group recognises revenue to depict the transfer of promised goods (performance obligations) to the end user or distributor in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods. Revenue is therefore recognised as performance obligations to deliver products are satisfied. Performance obligations for the sale of products are dependent on the terms and conditions of sale. The point in time at which revenue is recognised may therefore vary between the point goods are made available for end users or distributors to collect, and the point at which they are delivered to or installed for the end users or distributors.

IFRS 15 requires entities to apportion revenue earned from contracts to individual performance obligations based on stand alone selling price. The principles of in IFRS 15 are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contacts with the customer
2. Identify the performance obligation with the customer
3. determine the transaction price
4. allocate the transaction price to the performance obligation in the contract
5. Recognise revenue when or as the entity satisfies the performance obligations

1 Accounting policies (continued)

There are no significant judgements made in concluding when a customer obtains control of the goods and services and this revenue is recognised at a point in time on transfer of control.

The Group have entered into agreements with third parties for which royalties are received. A marketing agreement that sees a third party make the end sale directly to the customer for which Tristel receives royalties and a manufacturing agreement has also been established from which the Group receive revenues from making end sales to US customers. Products in this agreement are manufactured by the third party under a manufacturing agreement between the two companies. Royalties are recognised upon the third party concluding the sale and are received quarterly.

Distribution costs

Distribution costs are defined as expenses incurred to deliver products to customers, including but not limited to transportation, warehousing, and handling expenses. Distribution costs related to the sale of goods are recognised in the period in which the related revenue is recognised.

Foreign currency transactions and balances

The consolidated financial statements are presented in GBP, which is also the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in a foreign currency at year-end exchange rates are recognised in profit or loss.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation. The functional currencies of the subsidiary entities in the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into GBP at the closing rate at the reporting date. Income and expense items are translated at the average exchange rate. Exchange differences are charged or credited to other comprehensive income and recognised in the foreign currency reserve in equity.

Tax

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

The charge for current tax is based on the results for the year as adjusted for items, which are non-assessable or disallowed. It is calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date.

1 Accounting policies (continued)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which an asset can be utilised. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Changes in current and deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity, such as share option relief, in which case the related current and deferred tax is also charged or credited directly to equity.

Property, plant and equipment

Property, plant and equipment are held at cost less accumulated depreciation and impairment losses. Depreciation is provided at the following annual rates in order to write off each asset less the estimated residual value of property, plant and equipment over their estimated useful economic lives as follows:

Improvements to property - Straight line over the remaining lease term
Other property, plant and equipment - Straight line over 3 and 5 years
Furniture, fittings and equipment - Straight line over 4 and 5 years
Motor vehicles - Straight line over 4 years

The residual value and useful economic life of property, plant and equipment are reviewed annually. All depreciation and impairments are charged to administration in the income statement.

1 Accounting policies (continued)

Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices . However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account tor the lease and non-lease components as a single lease component.

As a Lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition. the right-of-use asset is periodically reduced by impairment losses. if any, and adjusted for certain remeasurements of the lease liability.

The lease Iiability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1 Accounting policies (continued)

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1 Accounting policies (continued)

Investments and other financial assets

Investments in subsidiaries

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company subsequently measures all equity investments at cost less impairment. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value to gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in other gains/(losses) in the statement as profit or loss as applicable.

Short-term investments

Demand bank deposits held and invested by the Group with an original maturity of more than three months. The assets are subject to an insignificant risk of change in value. The carrying amount of these assets approximates to their fair value.

Intangible assets

In determining the amortisation policy of an intangible asset, its estimated useful economic life in terms of years or the number of stock units likely to be sold, is considered. Where a finite useful economic life of the asset can be estimated, amortisation is calculated from the point at which the asset is brought into use, and charged to the income statement over its lifetime. Where it is considered that an intangible asset has an indefinite useful economic life, such as goodwill, no amortisation is charged. Instead, in accordance with IAS 36 the asset is tested annually for impairment, comparing the recoverable amount to the carrying amount. The recoverable amount is calculated by reference to future cash flows expected to be generated by the asset.

1 Accounting policies (continued)

Customer and supplier relationships

Customer and supplier relationships have been recognised as an intangible asset where they meet either the contractual-legal criterion or the separable criterion in IAS 38 Intangible Assets. The acquisition of Falcare, which did not meet the definition of a business combination and has therefore been accounted for as an asset acquisition, is shown at historical cost, under the cost accumulation model, whereby any contingent consideration is not considered upon initial recognition of the asset, but is added to the cost of the asset initially recorded when incurred.Contractual customer relationships are always recognised separately from goodwill because they meet the contractual-legal criterion. Amortisation is charged over the useful life of the asset, on a straight-line basis of between 7 and 10 years.

Patents, trademarks, licences and proprietary technology

Patents, trademarks and licences that are acquired by the Group are stated at cost less amortisation and impairment losses. Amortisation is charged over the useful life of the asset, on a straight-line basis of between 7 and 20 years.

Research and development

Research expenditure is written off as incurred. Development expenditure is also written off as incurred, except where the Directors are satisfied, having due regard to the nature and scope of each development project assessed, as to the technical, commercial and financial feasibility of the project. In such cases, the identifiable expenditure of the relevant project is deferred and amortised over the period within development of marketable costs during which the Group is expected to benefit, as administration costs, as detailed below.

Development costs incurred are capitalised when all the following conditions are satisfied:

• completion of the intangible asset is technically feasible so that it will be available for use or sale;
• the Group intends to complete the intangible asset and use or sell it;
• the Group has the ability to use or sell the intangible asset;
• the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
• there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
• the expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs capitalised as intangible assets are done so under the Development of marketable products category in note 12.

Provision is made for any impairment. The amortisation of intangible assets is charged to administrative expenses in the income statement on a straight line basis of between 7 years and 25 years.

Computer software and website

Software that is acquired from third parties by the Group is stated at cost less accumulated amortisation and impairment losses. Amortisation is charged over the useful life of the asset, deemed to be 7 years based on historical trends of software utilisation.

1 Accounting policies (continued)

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group’s interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to the cash-generating unit acquired and any other cash-generating unit which benefits from the goodwill acquired. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently where there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. The details of these assumptions are set out in note 12.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short term on demand bank deposits with an original maturity of three months or less. The assets are subject to an insignificant risk of change in value. The carrying amount of these assets approximates to their fair value.

Trade and other receivables

Trade and other receivables are initially recognised at their transaction price. Subsequently they are measured at amortised cost using the effective interest rate method.

Inventories

Inventories are valued on a first-in, first-out basis at the lower of cost and net realisable value. Cost includes materials, direct labour and overheads. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving and defective items where applicable.

Trade and other payables

Trade and other payables, including loans and other borrowings are initially recognised at fair value, net of direct issue costs. Subsequently they are measured at amortised cost using the effective interest rate method.

1 Accounting policies (continued)

Impairment of non-financial assets

At each year-end date, the Group reviews the carrying amount of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge that has been recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

1 Accounting policies (continued)

Equity

Equity comprises the following:

• 'Share capital' represents the nominal value of equity shares.

• 'Share premium' represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

• 'Merger reserve' represents merger relief taken in respect of the premium paid on the issue of shares to finance the acquisition of a subsidiary undertaking.

• 'Retained earnings' represents all current and prior period profits, losses and share-based payments less dividends paid.

• 'Foreign currency translation reserve' comprises foreign currency translation of the financial statements of the Group's foreign entities into GBP.

Dividends

Final dividends are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by shareholders, while interim dividends are recognised in the period in which the dividends are paid.

Defined contribution pension obligation

For money purchase schemes the amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Share based payments

In accordance with IFRS 2, the fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period on the Group's estimate of shares or options that will eventually vest. In the case of options granted, the fair value is measured by using either the Monte Carlo or Black-Scholes pricing model. Further details are set out in note 23.

Where options are granted over the parent company shares to employees of subsidiary undertakings, the cost of investment in the subsidiary is increased by the fair value of the options granted with a corresponding entry included in equity and assessed for impairment in accordance with IAS 36.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

1 Accounting policies (continued)

Financial instruments

Initial recognition

Financial assets and financial liabilities comprise all assets and liabilities reflected in the statement of financial position, although excluding property, plant and equipment, intangible assets, inventory, income tax, deferred tax assets, prepayments, deferred tax liabilities and employee benefits plan.

The group recognises financial assets and financial liabilities in the statement of financial position when, and only when, the group becomes party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value. Financial liabilities are initially recognised at fair value, representing the proceeds received net of premiums, discounts and transaction costs that are directly attributable to the financial liability.

Subsequent to initial measurement, financial assets and financial liabilities are measured at either amortised cost or fair value.

1 Accounting policies (continued)

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determine the subsequent measurement methodology:-

Financial assets are classified into one of the following three categories:-
· financial assets at amortised cost;
· financial assets at fair value through other comprehensive income (FVTOCI); or
· financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into one of the following two categories:-
· financial liabilities at amortised cost; or
· financial liabilities at fair value through the profit or loss (FVTPL).

The classification and the basis for measurement are subject to the group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, as detailed below:-

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:-
· the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
· the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If either of the above two criteria is not met, the financial assets are classified and measured at fair value through the profit or loss (FVTPL).

If a financial asset meets the amortised cost criteria, the group may choose to designate the financial asset at FVTPL. Such an election is irrevocable and applicable only if the FVTPL classification significantly reduces a measurement or recognition inconsistency.

Financial assets at fair value through the profit or loss (FVTPL)

Financial assets not otherwise classified above are classified and measured as FVTPL.

Financial liabilities at amortised cost

All financial liabilities, other than those classified as financial liabilities at FVTPL, are measured at amortised cost using the effective interest rate method.

Financial liabilities at fair value through the profit or loss

Financial liabilities not measured at amortised cost are classified and measured at FVTPL.

1 Accounting policies (continued)

Impairment of financial assets

The group recognises loss allowances for expected credit losses (ECL) on financial instruments that are not measured at FVPTL, namely trade and other receivables.

The group classifies its financial instruments into stage 1, stage 2 and stage 3, based on the applied impairment methodology, as described below:

Stage 1: for financial instruments where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired on origination, the group recognises an allowance based on the 12-month ECL.

Stage 2: for financial instruments where there has been a significant increase in credit risk since initial recognition but they are not credit-impaired, the group recognises an allowance for the lifetime ECL.

Stage 3: for credit-impaired financial instruments, the group recognises the lifetime ECL.

The group measures loss allowances at an amount equal to the lifetime ECL, except for the following, for which they
are measured as a 12-month ECL:
- debt securities that are determined to have a low credit risk (equivalent to investment grade rating) at the reporting
date; and
- other financial instruments on which the credit risk has not increased significantly since their initial recognition.

The group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of ‘investment grade’.

A 12-month ECL is the portion of the lifetime ECL that represents the ECLs that result from default events on a financial instrument that are possible within 12 months from the reporting date.

Provisions for credit-impairment are recognised in the statement of income and are reflected in accumulated provision balances against each relevant financial instruments balance.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

2 Critical accounting judgements and key sources of estimation uncertainty

Significant judgments and estimates

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

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

The sensitivities of the Group's cash generating units have been considered and no impairments with the exception of Water, have been identified. There is no reasonable possible change to the assumptions that would result in a material impairment and therefore further sensitivity analysis is not necessary on these CGUs, the review of the goodwill is conducted in note 11.

There are not considered to be any key accounting judgements within the Group.

3 Segmental Analysis

Group revenue lines are split into fourteen geographic regions, which span the different Group entities. In accordance with IFRS 8, aggregation criteria has been applied to five operating segments where similar economic characteristics are shared. The directors consider the operating segments to have similar economic characteristics as they have similar operating margins, and the nature of products sold, and customers are similar. Management consider these operating regions under five reportable segments. The geographic segments consider the location of the sale and product type sold, which is split into three sub divisions. The Company's operating segments are identified initially from the information which is reported to the chief operating decision maker which for Tristel is the CEO.

The group uses a matrix to analyse segments, to analyse the geographic segments against product divisions. The first product division concerns the manufacture and sale of medical device decontamination products which are used primarily for infection control in hospitals. These products generates approximately 87% of Company revenues (2023: 86%).

The second division which constitutes 8% (2023: 9%) of the business activity, relates to the manufacture and sale of hospital environmental surface disinfection products.

The third division addresses the pharmaceutical and personal care product manufacturing industries, veterinary and animal welfare sectors and has generated 5% (2023: 5%) of the Company's revenues this year.

The operation is monitored and measured on the basis of the key performance indicators of each segment, these being revenue and adjusted profit before tax, and strategic decisions are made on the basis of revenue and profit before tax generating from each segment.

3 Segmental Analysis (continued)

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenue	Total 2024	Profit Before Tax 2024
	£000	£000	£000	£000	£000
UK to UK and Overseas distributors	16,238	2,547	1,208	19,993	6,094
Australia	3,378	16	251	3,645	164
Germany	5,451	57	88	5,596	252
Western Europe	7,342	290	334	7,966	358
Other ROW	3,929	525	279	4,733	213
Total	36,338	3,435	2,160	41,933	7,081

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenue	Total 2023	Profit Before Tax 2023
	£000	£000	£000	£000	£000
UK to UK and Overseas distributors	11,895	2,381	1,017	15,293	4,179
Australia	3,504	22	134	3,660	165
Germany	4,979	40	89	5,108	230
Western Europe	6,673	245	347	7,265	327
Other ROW	3,766	608	309	4,683	211
Total	30,817	3,296	1,896	36,009	5,112

Revenues from external customers in the Company's domicile (United Kingdom), as well as its other major markets (Rest of the World) have been identified on the basis of internal management reporting systems, which are also used for VAT purposes. In the year the change was made to incorporate the Italy operating segment into Western Europe, as it was determined that it was similar in characteristics to the other countries in the Western Europe segment and to more accurately replicate internal management reporting systems.

Revenues derived from the UK (the largest reportable segment stated above) for 2024 were £20.0m (2023: £15.2m). Revenues from all overseas subsidiaries total £21.9m (2023: £20.7m.)

3 Segmental Analysis (continued)

Hospital medical device decontamination revenues were derived from a large number of customers but include £9.0m from a single customer in UK which makes up 25% of this product division's revenue (2023: £6.1m, being 20%). Hospital environmental surface disinfection revenues were derived from a number of customers but include £2.0m from a single customer in the UK which makes up 57% of this product division's revenue (2023: £1.8m, being 55%). Other revenues also were derived from a number of customers, with the largest customer in the UK accountable for £0.3m, which represents 14% of revenue for that product division (2023: £0.2m, 9% from a single customer). During the year 27% of the Group's total revenues were earned from a single customer (2023: 22%).

The following table provides further information on the Group's revenues:

In addition to the segmental information disclosed product divisions are also split as follows:

3 Segmental Analysis (continued)

	Hospital medical device disinfectants £000	Hospital environmental surface disinfection £000	Other revenues £000	Total 2024 £000
Revenue from external customers	**36,338**	**3,435**	**2,160**	**41,933**
Cost of sales excluding depreciation	**(5,690)**	**(1,441)**	**(843)**	**(7,974)**
Depreciation included within Cost of sales	**(330)**	**(31)**	**(20)**	**(381)**
Segment gross profit	**30,318**	**1,963**	**1,297**	**33,578**
Gross margin	**83%**	**57%**	**60%**	**80%**
Adjusted gross margin	**87%**	**60%**	**63%**	**83%**

Centrally incurred income and expenses not attributable to individual product divisions:	
Distribution costs	(327)
Depreciation, amortisation and impairments	(2,392)
Other administrative expenses	(22,788)
Share-based payments	(1,089)
Other income	-
Operating profit	6,982
Operating profit can be reconciled to Group profit before tax as follows:	
Finance income	100
Total profit before tax	7,082

3 Segmental Analysis (continued)

	Hospital medical device disinfectants £000	Hospital environmental surface disinfection £000	Other revenues £000	Restated as 2023 Total £000
Revenue from external customers	**30,817**	**3,296**	**1,896**	**36,009**
Cost of sales excluding depreciation	**(5,202)**	**(1,512)**	**(947)**	**(7,661)**
Depreciation included within Cost of sales	**(368)**	**(40)**	**(22)**	**(430)**
Segment gross profit	**25,247**	**1,744**	**927**	**27,918**
Gross margin	**82%**	**53%**	**49%**	**78%**
Adjusted gross margin	**85%**	**56%**	**52%**	**81%**

Centrally incurred income and expenses not attributable to individual product divisions:	
Distribution costs	(323)
Depreciation and amortisation of non-financial assets	(2,188)
Other administrative expenses	(19,069)
Share-based payments	(1,061)
Other income	4
Segment operating profit	5,281
Segment operating profit can be reconciled to Group profit before tax as follows:	
Finance expense	(169)
Total profit before tax	5,112

3 Segmental Analysis (continued)

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenues	Total 2024
	£000	£000	£000	£000
Revenue recognised at a point in time	36,260	3,435	2,160	41,855
Revenue recognised over time	78	-	-	78
Total Revenues	36,338	3,435	2,160	41,933

	Hospital medical device decontamination	Hospital environmental surface disinfection	Other revenues	Total 2023
	£000	£000	£000	£000
Revenue recognised at a point in time	30,660	3,296	1,897	35,853
Revenue recognised over time	156	-	-	156
Total Revenues	30,816	3,296	1,897	36,009

The Group has no material contract assets or contract liabilities.

3 Segmental Analysis (continued)

The Group's Non-current assets (excluding deferred tax) are divided into the following geographical areas:

2024 Geographic region	Non-current assets	Additions: Intangible assets	Additions: Plant, property and equipment	Additions: right of use asset	Depreciation	Amortisation
	£000	£000	£000	£000	£000	£000
UK	16,602	1,109	1,119	1,509	1,235	875
Australia	218	-	8	-	51	76
Germany	162	6	41	110	121	-
Western Europe	386	-	-	13	138	-
Other (ROW)	212	-	-	120	210	-
Total	17,580	1,115	1,168	1,752	1,755	951

2023 Geographic region	Non-current assets	Additions: Intangible assets	Additions: Plant, property and equipment	Additions: right of use asset	Depreciation	Amortisation
	£000	£000	£000	£000	£000	£000
UK	16,512	1,570	795	411	1,214	722
Australia	308	-	6	-	76	94
Germany	134	-	11	-	123	-
Western Europe	503	-	40	56	132	-
Other (ROW)	283	-	-	-	189	-
Total	17,740	1,570	852	467	1,734	816

4 Operating profit

The profit before tax is stated after charging/(crediting)

	2024	As restated 2023
	£000	£000
Cost of inventories recognised as an expense	6,560	6,413
Depreciation - owned assets	692	734
Depreciation - leased assets	1,064	1,000
(Profit)/Loss on disposal of property, plant & equipment	(8)	69
Patents, licences and proprietory technology amortisation	117	78
Development of marketable products amortisation	447	374
Customer and supplier amortisation	342	323
Computer software and website amortisation	45	41
Impairment of goodwill	67	68
Auditor's remuneration - audit services	289	267
Foreign exchange loss	252	13
Research costs expensed	205	694

4 Operating profit (continued)

Earnings before interest, tax, depreciation and amortisation are reconciled to profit for the year as follows:

	2024 £000	2023 £000
Net finance cost/income		
Interest income on bank deposits	318	10
Interest on lease liabilities	(218)	(177)
Other interest	-	(2)
Net finance cost/income	100	(169)

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024 £ 000	2023 £ 000
Wages and salaries	13,672	11,494
Social security costs	1,102	696
Share-based payment expenses	1,089	1,061
Other pension costs	447	357
	16,310	13,608

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

	2024 No.	2023 No.
Executive Directors	3	3
Non-Executive Directors	5	5
Sales, marketing and distribution	106	90
Administration and support	68	62
Production	56	52
	238	212

Company

The Company had no employees during the year other than the Executive Directors. All aspects of the Directors of the Company remuneration is paid through its subsidiary. An immaterial amount of this remuneration is considered to be in relation to Tristel plc the Company.

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2024 £ 000	2023 £ 000
Remuneration	1,316	1,212
Contributions paid to money purchase schemes	118	110
	1,434	1,322

The outstanding share options held by Directors at the year end total nil (2023: 800,000). See table on page 29 for details.

During the year the number of directors who were receiving retirement benefits and share incentives was as follows:

	2024 No.	2023 No.
Accruing benefits under money purchase pension scheme	3	3

In respect of the highest paid director:

	2024 £ 000	2023 £ 000
Remuneration	486	405
Company contributions to money purchase pension schemes	47	45
	533	450

7 Auditors' remuneration

	2024 £ 000	2023 £ 000

	2024 £ 000	2023 £ 000
Audit of these financial statements	289	267
Overseas component audit fees in relation to local statutory audits	74	52
	363	319

8 Income tax

Tax charged in the income statement

	2024 £000	2023 £000
Current taxation		
Current tax	312	285
Current tax adjustment to prior periods	(70)	(53)
	242	232
Deferred tax		
Arising from origination and reversal of temporary differences	356	817
UK deferred tax adjustment to prior periods	(5)	(476)
Tax rate effect	-	78
	351	419
Tax expense in the income statement	593	651

8 Income tax (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2023 - higher than the standard rate of corporation tax in the UK) of 25% (2023 - 20%).

The differences are reconciled below:

	2024 £ 000	2023 £ 000
Profit before tax	7,082	5,112
Corporation tax at standard rate	1,773	1,048
Adjustment in respect of prior years	(75)	(529)
Expenses not deductible for tax purposes	405	285
Increase (decrease) from effect of foreign tax rates	(1)	46
Other differences	(303)	464
Tax rate differences		78
Enhanced relief on qualifying scientific research expenditure	(172)	(98)
Patent box relief	(1,034)	(643)
Total tax charge	593	651

Current Tax receivable

	2024 Group £000	2023 Group £000	2024 Company £000	2023 Company £000
Corporation Tax at 30 June	642	1,043	6	6

8 Income tax (continued)

Deferred tax

Group

2024	Asset £000	Liability £000	Net deferred tax £000
Accelerated tax depreciation	-	(385)	(385)
Acquired in business combinations	-	(277)	(277)
Share-based payment	588	-	588
Other temporary differences	291	-	291
IFRS 16 transition	14	-	14
Losses	105	-	105
Set off of deferred tax liabilities pursuant to set off provisions	(385)	385	-
	613	(277)	336

2023	Asset £000	Liability £000	Net deferred tax £000
Accelerated tax depreciation	-	(231)	(231)
Acquired in business combinations	-	(368)	(368)
Share-based payment	285	-	285
IFRS 16 transition	25	-	25
Other temporary differences	333	-	333
Taxable losses	643	-	643
	1,286	(599)	687

Deferred tax movements during the current year:

8 Income tax (continued)

	At 1 July 2023	Recognised in income	Recognised in equity	At 30 June 2024
	£000	£000	£000	£000
Accelerated tax depreciation	(231)	(154)	-	(385)
Acquired in business combinations	(368)	91	-	(277)
Other temporary differences	333	(42)	-	291
IFRS 16 transition	25	(11)	-	14
Share based payment	285	303	-	588
Losses	643	(538)	-	105
Net tax assets/(liabilities)	687	(351)	-	336

8 Income tax (continued)

Deferred tax movements during the prior year:

	At 1 July 2022	Recognised in income	Recognised in equity	At 30 June 2023
	£000	£000	£000	£000
Accelerated tax depreciation	(267)	36	-	(231)
Acquired in business combinations	(453)	85	-	(368)
IFRS 16	34	(9)	-	25
Share-based payment	768	(483)	-	285
Other temporary differences	333	-	-	333
Taxable losses	691	(48)	-	643
Net tax assets/(liabilities)	1,106	(419)	-	687

Differences include tax relief on research and development spend.

Net deferred tax asset/(liability)	**Group**	**Company**
	£000	**£000**
Deferred tax liability	(662)	(9)
Deferred tax asset	998	-
Balance at 30 June 2024	336	(9)

Net deferred tax asset/(liability)	**Group**	**Company**
	£000	**£000**
Deferred tax liability	(599)	(9)
Deferred tax asset	1,286	-
Balance at 30 June 2023	687	(9)

The group has unrecognised deferred tax assets relating to losses in overseas countries amounting to £188,000 (2023: £224,000) these have not been recognised on the grounds of uncertainty over recoverability.

9 Property, plant and equipment

	Improvements to Property £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Restated Other property, plant and equipment £ 000	Restated Assets Under Construction £ 000	Total £ 000
Cost or valuation						
At 1 July 2022	3,641	637	450	2,575		7,303
Additions	144	10	91	463	145	853
Transfer from intangible				114		114
Disposals	(18)	(7)		(475)		(500)
Foreign exchange movements	(3)		1	(4)		(6)
At 30 June 2023	3,764	640	542	2,673	145	7,764
At 1 July 2023	3,764	640	542	2,673	145	7,764
Additions	367	3	83	383	332	1,168
Disposals	(137)	(46)	(17)	(585)		(785)
Foreign exchange movements		(1)	(6)	(6)		(13)
At 30 June 2024	3,994	596	602	2,465	477	8,134
Depreciation						

9 Property, plant and equipment (continued)

	Improvements to Property £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Restated Other property, plant and equipment £ 000	Restated Assets Under Construction £ 000	Total £ 000
At 1 July 2022	1,863	307	294	2,048		4,512
Charge for year	180	112	54	388		734
Transfer from intangible				29		29
Eliminated on disposal	(9)	(7)		(415)		(431)
Foreign exchange movements	(1)	(1)	1	(1)		(2)
At 30 June 2023	2,033	411	349	2,049	-	4,842
At 1 July 2023	2,033	411	349	2,049		4,842
Charge for the year	193	108	62	328		691
Eliminated on disposal	(137)	(46)	(17)	(550)		(750)
Foreign exchange movements		(1)	(6)	(6)		(13)
At 30 June 2024	2,089	472	388	1,821	-	4,770
Carrying amount						
At 30 June 2024	1,905	124	214	644	477	3,364
At 30 June 2023	1,731	229	193	624	145	2,922
At 1 July 2022	1,778	330	156	527	-	2,791

9 Property, plant and equipment (continued)

The Property, plant and equipment table has been restated to account for the Assets Under Construction balance, which in the prior year (2023: £145,000) was immaterial and contained within Other property, plant and equipment additions.

Property, plant and equipment comprise owned assets that do not meet the definition of investment property.

Company

No property, plant or equipment is held by the Company.

Right of use assets

The Group leases many assets including land and buildings, vehicles and plant and machinery. Information about leases for which the Group is a lessee is presented below and in note 10.

2023	**Property**	**Vehicles**	**Office Equipment**	**Total**
	£000	£000	£000	£000
Balance at 1 July	5,097	193	278	5,568
Additions	325	77	65	467
Disposals	(124)	-	-	(124)
Depreciation	(772)	(119)	(109)	(1,000)
Foreign Exchange	(6)	-	-	(6)
Balance at 30 June	4,520	151	234	4,905
2024				
Balance at 1 July	4,520	151	234	4,905
Additions	1,228	291	233	1,752
Disposals	-	-	(51)	(51)
Depreciation	(795)	(162)	(107)	(1,064)
Foreign Exchange	(4)	-	-	(4)
Balance at 30 June	4,949	280	309	5,538

10 Lease liabilities

	2024	**2023**
Maturity analysis - contractual undiscounted cash flows	**£000**	**£000**
Less than one year	1,114	924
One to five years	3,047	2,564
More than five years	2,585	2,502
Total undiscounted lease liabilities at 30 June	6,746	5,990
Lease liabilities included in the statement of financial position at 30 June		
Current	1,034	859
Non-current	4,830	4,321
	5,864	5,180

	2024	2023
Amounts recognised in profit or loss	**£000**	**£000**
Interest on lease liabilities	218	177
Amounts recognised in the statement of cashflows		
Total cash outflow for leases	1,240	1,126

Note 9 contains details of the associated leases above.

11 Goodwill

Group Goodwill

Goodwill arose on the acquisitions of Water, formerly TTL, Ashmed Pty, Tristel Belgium, Tristel France, Tristel Netherlands and Tristel Italia Srl and is allocated across a variety of CGUS as detailed below

	Goodwill £ 000
Cost or valuation	
At 1 July 2022	5,756
Foreign exchange movements	(18)
At 30 June 2023	5,738
At 1 July 2023	5,738
Foreign exchange movements	(92)
At 30 June 2024	5,646
Impairment	
At 1 July 2022	514
Impairment	68
At 30 June 2023	582
At 1 July 2023	582
Impairment	67
At 30 June 2024	649
Carrying amount	
At 30 June 2024	4,997
At 30 June 2023	5,156

The impairment of £67,000 (2023: £68,000) in Water goodwill is included in depreciation, amortisation and impairments in the consolidated income statement.

11 Goodwill (continued)

Cash-Generating Unit (CGU)	2024 Goodwill carrying value	Total CGU carrying value	Value in use	Headroom	2023 Goodwill carrying value
	£'000	£'000	£'000	£'000	£'000
Water	127	127	127	-	194
Ashmed	47	1,221	2,066	845	47
Ecomed - Belgium	323	1,959	2,415	456	330
Ecomed - France	549	1,042	2,464	1,422	561
Ecomed - The Netherlands	113	279	908	629	116
Tristel Italia	39	680	1,192	512	40
Tristel UK	3,799	19,257	121,214	101,957	3,868
	4,997				5,156

The Group tests annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of all cash generating units (CGU's) is determined from value in use calculations. Value in use is calculated as the net present value of the projected, risk-adjusted, pre-tax cash flows of the CGU in which the goodwill is contained. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes to selling prices and direct costs during the period, these are detailed individually below. Management estimates discount rates using the CGUs pre-tax weighted average cost of capital. Management has considered the effects on the weighted average cost of capital of currency, pricing and specific country risk. Growth rates are based upon growth forecasts within the CGU, likewise, changes in selling prices and direct costs are based on recent history and expectations of future changes in the market.

The Group prepares cash flow forecasts over a 5 year period and derived from the most recent financial budgets approved by management. Cash flow forecasts for each CGU are considered, and where deemed appropriate, adjusted to reflect risks specific to the CGU. Cashflows beyond this period were extrapolated using a range of terminal growth rates of 1.75% - 2.50%, which is prudent when compared to the inflationary growth rate in the global infection control market. Where sensitivity analysis has been carried out, it has been via the reduction of expected revenue growth rate and increase in expected cost growth rate.

11 Goodwill (continued)

Water

On 30 April 2010 the activities of Water (formerly NTL) were hived over to Tristel Solutions Limited. The relevant revenue lines are now separately identifiable within Hospital medical device decontamination and form a single cash-generating unit within the Group's management reporting. For Water, the rate used to discount the forecast cash flows for goodwill is 14.33%. With sales decline at a rate of 32% year on year (the average rate over the past 2 years actual and budget for financial year 24/25), the net present value of future cashflows of £0.1m is less than the carrying value of £0.2m. Based on the expectation that revenue will decline at a rate of at least 32% year on year, an impairment of £0.1m has been recorded.

Ashmed

In August 2016, the Group acquired the trade and assets of AshMed Pty. The key assumptions used to determine the recoverable value of goodwill are those regarding discount rates and growth rates. Management has estimated the pre-tax discount rate as a market-derived WACC of 15.36%. Growth rates are based upon industry growth forecasts within the CGU and on recent history and expectations of future changes in the market. Cashflows over five years were considered and beyond this period cashflows were extrapolated using a terminal growth rate of 2.5%, which is prudent when compared to the inflationary growth rate in the global infection control market. The net present value of future cashflows exceeds the carrying value of £1.2m by £1m, as such no impairment has been recorded.

11 Goodwill (continued)

Tristel Belgium, Tristel France and Tristel Netherlands (Ecomed Group)

In November 2018, the Group acquired Ecomed Services N.V. (Belgium), Ecomed Nederland B.V. (Netherlands) and Ecomed France SARL (France), together the "Ecomed Group", our European distributor's business. Each entity is considered to be a separate cash generating unit.

For Ecomed, the key assumptions used to determine the recoverable value of goodwill are those regarding discount rates and growth rates. Management estimates discount rates using the Group's pre-tax weighted average cost of capital, adjusted to reflect the impact of the time value of money, tax effects and risks associated with the CGU, which was calculated at 13% for Tristel Belgium and Tristel France and 11.42% for Tristel Netherlands. Growth rates are based upon industry growth forecasts within the CGU and on recent history and expectations of future changes in the market. Cashflows over five years were considered and beyond this period cashflows were extrapolated using a terminal growth rate of 1.75-2.00%, which is prudent when compared to the inflationary growth rate in the global infection control market. Based on these growth rates, the net present value of future cashflows exceeds the carrying value in Belgium by £0.5m, in France by £1.5m and by £0.6m in The Netherlands, as such no impairment has been recorded.

11 Goodwill (continued)

Tristel Italia Srl

For Tristel Italia, the key assumptions used to determine the recoverable value of goodwill are those regarding discount rates and growth rates. Management estimates discount rates using the Group's pre-tax weighted average cost of capital, adjusted to reflect the impact of the time value of money, tax effects and risks associated with the CGU, which was calculated at 14.91%. Growth rates are based upon industry growth forecasts within the CGU and on recent history and expectations of future changes in the market. Cashflows over five years were considered and beyond this period cashflows were extrapolated using a terminal growth rate of 2%, which is prudent when compared to the inflationary growth rate in the global infection control market. The net present value of future cashflows exceeds the carrying value of £0.7m by £0.5m, as such no impairment has been recorded.

Tristel UK

For Tristel UK, the key assumptions used to determine the recoverable value of goodwill are those regarding discount rates and growth rates. The goodwill held by TSL is an allocation from the remaining cash generating units to account for synergies. Management estimates discount rates using the Group's pre-tax weighted average cost of capital, adjusted to reflect the impact of the time value of money, tax effects and risks associated with the CGU, which was calculated at 14.33%. Growth rates are based upon industry growth forecasts within the CGU and on recent history and expectations of future changes in the market. Cashflows over five years were considered and beyond this period cashflows were extrapolated using a terminal growth rate of 2%, which is prudent when compared to the inflationary growth rate in the global infection control market. The net present value of future cashflows exceeds the carrying value of £19.3m by £102m, as such no impairment has been recorded.

Company

The Company has no goodwill.

12 Intangible assets

Group

	Patents, licences and proprietary technology £ 000	Customer & supplier relationships £ 000	Computer software and website £ 000	Development of marketable products £ 000	Total £ 000
Cost or valuation					
At 1 July 2022	6,265	3,289	918	6,390	16,862
Additions	295	339	9	927	1,570
Transfers (Note 9)				(114)	(114)
Foreign exchange movements		(52)			(52)
At 30 June 2023	6,560	3,576	927	7,203	18,266
At 1 July 2023	6,560	3,576	927	7,203	18,266
Additions	364	71	24	656	1,115
Disposals	(44)				(44)
Foreign exchange movements		(48)			(48)
At 30 June 2024	6,880	3,599	951	7,859	19,289
Amortisation					
At 1 July 2022	5,581	1,520	652	4,971	12,724
Amortisation charge	78	323	41	374	816
Transfers (Note 9)				(29)	(29)
Foreign exchange movements	2	(4)			(2)
At 30 June 2023	5,661	1,839	693	5,316	13,509
At 1 July 2023	5,661	1,839	693	5,316	13,509
Amortisation charge	117	342	45	447	951
Amortisation eliminated on disposals	(12)				(12)
Foreign exchange movements		(44)			(44)
At 30 June 2024	5,766	2,137	738	5,763	14,404
Carrying amount					
At 30 June 2024	1,114	1,462	213	2,096	4,885

12 Intangible assets (continued)

	Patents, licences and proprietary technology £ 000	Customer & supplier relationships £ 000	Computer software and website £ 000	Development of marketable products £ 000	Total £ 000
At 30 June 2023	899	1,737	234	1,887	4,757

12 Intangible assets (continued)

In the prior year there was a purchase of the customer relationships of a third-party distributor. The addition in the current financial year arises from the issuance of shares in respect of the purchase agreement (see Note 18). A future contingent payment of £17,000 was made in respect of this acquisition in the next financial year.

The Group’s approach to reviewing the carrying value of its intangible assets is consistent with IAS 36 - Impairment of assets and IAS 38 - Intangible assets.

The pre-tax rate used to discount the forecast cash flows for all CGU’s is between 12.9% and 16.43%. Management estimates discount rates using the Group's post-tax weighted average cost of capital, adjusted to reflect the impact of the time value of money, tax effects and risks associated with each CGU. Where sensitivity analysis has been carried out, it has been via the reduction of expected revenue growth rate and increase in expected cost growth rate.

12 Intangible assets (continued)

Company

	Patents, licences and proprietary technology	Customer Relationships	Total
	£000	£000	£000
Cost			
At 30 June 2022	5,533	-	5,533
Additions	109	339	448
Transferred from TSL	189	-	189
At 30 June 2023	5,831	339	6,170
Additions	130	71	201
Transferred from TSL	135	-	135
Disposals	(80)	-	(80)
At 30 June 2024	6,016	410	6,426
Amortisation			
At 30 June 2022	5,180	-	5,180
Charge for year	66	-	66
At 30 June 2023	5,246	-	5,246
Charge for year	102	36	138
Amortisation eliminated on disposal	(44)		(44)
At 30 June 2024	5,304	36	5,340
Net book value			
30 June 2024	712	374	1,086
30 June 2023	585	339	924

In the prior year there was a purchase of the customer relationships of a third-party distributor. The addition in the current financial year arises from the issuance of shares in respect of the purchase agreement (see note 18). A future contingent payment of £17,000 was made in respect of this acquisition in the next financial year.

13 Investments

Group

Group subsidiaries

Group subsidiaries as at 30 June 2024 are detailed on the following page:

13 Investments (continued)

Name of subsidiary	Principal activity	Country of registration	Proportion of ownership interest and voting rights 2024	Proportion of ownership interest and voting rights 2023
Tristel Solutions Limited * (1)	Supply of infection control products	England and Wales	100%	100%
Scorcher Idea Limited * (1)	Supply of infection control products	England and Wales	100%	100%
Tristel New Zealand Limited * (2)	Supply of infection control products	New Zealand	100%	100%
Tristel Medical Equipment Co Ltd (3)	Supply of infection control products	China	100%	100%
Tristel Asia Limited * (4)	Supply of infection control products	Hong Kong	100%	100%
Tristel International Limited * (1)	Dormant	England and Wales	100%	100%
Tristel GMBH * (5)	Supply of infection control products	Germany	100%	100%
Tristel Pty Limited * (6)	Supply of infection control products	Australia	100%	100%
Tristel Sp. z.o.o * (7)	Supply of infection control products	Poland	100%	100%
Medichem International Limited * (8)	Holder of trademarks	England and Wales	0% **	50% **
Tristel AG * (9)	Supply of infection control products	Switzerland	100%	100%
Tristel NV/SA * (10)	Supply of infection control products	Belgium	100%	100%
Tristel SAS * (11)	Supply of infection control products	France	100%	100%
Tristel B.V * (12)	Supply of infection control products	The Netherlands	100%	100%
Tristel Inc * (1)	Dormant	USA	100%	100%

13 Investments (continued)

Tristel GK * (13)	Dormant	Japan	100%	100%
Tristel India Private Limited * (14)	Supply of infection control products	India	100%	100%
Tristel Italia srl * (15)	Supply of infection control products	Italy	100%	100%
Tristel Malaysia SDNBHD * (16)	Supply of infection control products	Malaysia	100%	100%
Tristel Ireland Limited (17)	Dormant	Ireland	100%	100%
Tristel Private Limited (18)	Supply of infection control products	Singapore	100%	100%
Tristel Solutions, S.L. (19)	Supply of infection control products	Spain	100%	100%
Stella Performance Limited (20)	Dormant	New Zealand	100%	100%

13 Investments (continued)

* indicates direct investment of the company

** Management considers that control is held as use of the intellecual property (IP) owned by the entity is restricted by Tristel Plc. This company was dissolved on 18 June 2024.

Registered office address:

(1) Unit 1B, Lynx Business Park, Fordham Road, Snailwell, Cambridgeshire, CB8 7NY
(2) 23 Birch Avenue, Judea, Tauranga, Bay Of Plenty, 3110
(3) 16/F Oriental Century Plaza, 345 Xian Xi Road, Chang Ning District, Shanghai 200336
(4) 21st Floor, 168 Electric Road, Hong Kong
(5) Karl-Marx-Allee 90A, 10243 Berlin
(6) 40/328 Reserve Road, Cheltenham, Victoria, 3192
(7) Pl. Piłsudskiego 1, 00-078 Warszawa, Poland
(8) 2 Lords Court, Basildon, England, SS13 1SS
(9) Sandgrube 29, CH - 9050 Appenzell, Schweiz
(10) Smallandlaan 14 B, Anvers , 2660
(11) 130, Boulevard de la Liberté, Lille, 59000
(12) Binderij 7 R, Amstelveen, 1185
(13) 2-25 Sudacho, Kanda, Chiyoda-ku, Tokyo, Japan
(14) 335, Udyog Vihar Phase-IV, Gurugram, Haryana-122015
(15) Centro Colleoni - Palazzo Astrolabio - 20864 Agrate Brianza
(16) Unit A-25-3A, Tower A, Pinnacle Petaling Jaya, Selangor D.E
(17) Fieldfisher LLP, Suite 508 the Capel Building, Mary's Abbey, Dublin, D07 N4c6
(18) Unit 14-04, 2 Venture Drive, Singapore, 608526
(19) Carrer Aragó 308, 08022, Barcelona, Spain
(20) 23 Birch Avenue, Judea, Tauranga, Bay Of Plenty, 3110

13 Investments (continued)

Company

	Shares in Group undertakings
	£000
Cost	
At 30 June 2022	13,690
Capital contributions as a result of share-based payments	1,061
At 30 June 2023	14,751
Capital contributions as a result of share-based payments	1,089
Investment in subsidiaries	7
At 30 June 2024	15,847
Impairment	
At 30 June 2022	433
Movement in the year	-
At 30 June 2023	433
Movement in the year	-
At 30 June 2024	433
Net book value	
30 June 2024	15,414
30 June 2023	14,318

The total amount recognised in the Company statement of financial position in relation to options granted over the Parent Company shares to employees of subsidiaries during the year amounts to a charge of £1,089,000 (2023: £1,061,000).

14 Inventories

	Group 2024 £000	Group 2023 £000	Company 2024 £000	Company 2023 £000
Raw materials and consumables	1,961	2,457	-	-
Finished goods	2,720	2,112	-	-
	4,681	4,569	-	-

Included in the above is a stock provision of £355,000 (2023: £267,000) held in respect of both raw materials and finished goods.

15 Trade and other receivables

	Group		Company	(As restated)
	2024 £ 000	2023 £ 000	2024 £ 000	2023 £ 000
Net trade receivables	5,649	5,340		
Receivables from group entities			13,949	10,890
Prepayments	1,655	1,323	169	146
Other receivables	220	417	33	101
	7,524	7,080	14,151	11,137

The Directors consider that there are no irrecoverable amounts from the sale of goods other than those already identified and included within the impairment allowance.

Receivables from group entities are interest free and repayable on demand.

A reconciliation of the movement in the allowance for impairment provisions for trade receivables is as follows:

15 Trade and other receivables (continued)

Current

	2024 Group £000	2023 Group £000	2024 Company £000	2023 Company £000
Impairment provision brought forward	(14)	(27)	-	-
Decrease/(increase) in provision	(38)	13	-	-
Impairment provision carried forward	(52)	(14)	-	-

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics. There is minimum risk and no history of credit losses with group entities.

The expected loss rates are based on the payment profiles of sales over a period of 48 months before 30 June 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

In the other revenue sector, the distribution model means that the debt is allocated amongst multiple customers, thereby reducing the credit risk. Credit risk is predominantly within the hospital medical device and environmental surface disinfection product divisions.

The table overleaf provides information about the exposure to credit risk and ECLs for trade receivables for all customers as at 30 June 2024. Group entities are considered low risk for these purposes:

In line with IFRS9 loss rates are calculated with reference to the probability of a receivable being written off based on credit risk characteristics such as geographic location.

The trade and other receivables classified as financial instruments are disclosed in note 26. The company's exposure to credit and market risks, including maturity analysis, relating to trade and other receivables is disclosed in the financial risk review note.

15 Trade and other receivables (continued)

Grade	Internal credit rating	Weighted average loss rate %	Net carrying amount £000	Impairment loss allowance
Grade: Low risk	AAA-A	0%	5,172	-
Grade: Fair risk	BBB-B	0%	458	-
Grade: Substandard	CCC	0%	14	-
Grade: Doubtful	CC-C	0%	-	-
Grade: loss	D	10%	5	52
			5,649	52

16 Cash and cash equivalents

	Group		Company	
	2024 £ 000	2023 £ 000	2024 £ 000	2023 £ 000
Cash at bank	6,139	7,113	380	1,104

16 Cash and cash equivalents (continued)

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with a maturity of three months or less. The carrying amount of these assets approximates to their fair value.

17 Short-term investments

	Group		Company	
	2024	**2023**	**2024**	**2023**
	£ 000	**£ 000**	**£ 000**	**£ 000**
Short-term deposits	5,650	2,432	350	

Short-term investments comprise cash resources held by the Group within short-term bank deposits with a maturity of three months or more. The carrying amount of these assets approximates to their fair value.

18 Share capital

	Number	**£000**
30 June 2023	47,309,993	474
Issued during the year	226,500	2
30 June 2024	47,536,493	476

Allotted, called up and fully paid shares

	30 June 2024		30 June 2023	
	No.	**£'000**	**No.**	**£'000**
Ordinary of £0.01 each	47,536,493	476	47,309,993	474

211,500 ordinary shares of 1 pence each, related to the exercise of employee share options were issued during the year. (2023: 85,000). The weighted average exercise price was £3.20 (2023: £2.07). The exercise of employee share options in the year resulted in a movement in the share premium account of £745,000 (2023: £192,000). An additional 15,000 ordinary shares of 1 pence each were issued in relation to the settlement of the contingent element of the Falcare acquisition.

19 Pension and other schemes

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £447,000 (2023: £357,000), with £75,000 (2023: £57,000) outstanding at the year end.

20 Trade and other payables

	Group		Company	
	2024 £ 000	2023 £ 000	2024 £ 000	2023 £ 000
Trade payables	1,716	895	68	9
Accruals	2,704	2,637	283	186
Social security and other taxes	853	798		
Other payables	209	471		
	5,482	4,801	351	195

The group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk review note 26.

21 Dividends

Amounts recognised as distributions to equity holders in the year:

	2024 £000	2023 £000
Ordinary shares of 1p each		
Final dividend for the year ended 30 June 2023 of £7.88p (2022: £3.93p) per share	3,734	1,856
Special dividend for the year ended 30 June 2023 of £nil (2022: £3.00p) per share	-	1,417
Interim dividend for the year ended 30 June 2024 of £5.24p (2023: £2.62p) per share	2,488	1,238
	6,222	4,511
Proposed final dividend for the year ended 30 June 2024 of £8.28p (2023: £7.88p) per share	3,936	3,728
Company		
Dividend received from subsidiaries	(9,417)	(8,031)

The proposed final dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in the financial statements.

22 Earnings per share

The calculations of earnings per share are based on the following profits and number of shares:

	2024	2023
	£000	£000
Retained profit for the financial year attributable to equity holders of the parent	6,489	4,461
	Shares	Shares
	'000	'000
	Number	Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	47,421	47,247
Share options	423	111
	47,844	47,358
Earnings per ordinary share		
Basic	13.68p	9.44p
Diluted	13.54p	9.34p

22 Earnings per share (continued)

The Group also presents an adjusted basic earnings per share figure which excludes share-based payments charges:

	2024	2023
	£000	£000
Retained profit for the financial year attributable to equity holders of the parent	6,489	4,461
Adjustments:		
Share based payments	1,089	1,061
Tax on share-based payments	(303)	(483)
Net adjustments	786	578
Adjusted earnings	7,275	5,039
Adjusted basic earnings per ordinary share	15.34p	10.67p

The adjusted earnings per share is presented post-tax.

23 Share based payments

During the year ended 30 June 2024 the Group had 250 share-based payment arrangements, under three schemes. Only one scheme had grants in the year, the details of these grants are below:

	General employee scheme	**General employee scheme**
Grant date	26-Feb-24	16-Oct-23
Vesting period ends	26-Feb-24	16-Oct-23
Share price at date of grant	450.00p	395.00p
Volatility	40.19%	39.82%
Option life	10 years	10 years
Expected dividend yield	2.85%	2.49%
Risk free investment rate	5.25%	5.25%
Fair value at grant date	£1.228	£1.096
Exercise price at date of grant	450.00p	395.00p

The Executive Director Scheme is part of the remuneration package of the Executive Directors of the Parent company. Options under this scheme will vest if certain conditions defined in the programme are met. The extent to which one half of the Ordinary shares comprising each option would have vested dependent on the Group's adjusted profit before tax for the financial year ending 30 June 2024. The fair value of these options at grant date of £2.867 has been calculated using the Black Scholes method. The extent to which the other half of the Ordinary shares comprising each option would have vested was dependent on the Group's share price growth performance from the average share price over the period 19 October 2020 to (and including) 13 December 2020 (the 'base price') to the average share price over the last three months of the financial year to 30 June 2024 which was £4.48. The fair value of these options at grant date of £5.110 has been calculated using the Monte Carlo method. Upon vesting, each option would have allowed the holder to purchase one ordinary share at the stated share price. The vesting conditions for the scheme have not been met and as such the options have lapsed. The adjusted profit before tax condition was deemed to be unachievable and as such no share option charge relating to that condition was ever recognised.

The General Employee Scheme is part of the remuneration package of certain employees of the Group. Options under this scheme will vest immediately upon grant, or will vest in accordance with a set timescale over 36 months provided the holder remains an employee of Tristel. Upon vesting, each option allows the holder to purchase one ordinary share at the stated share price. If the option holder leaves the employment of the Group prior to exercise the option is forfeited. All General Employee scheme options currently in issue do not have any vesting conditions attached to them.

23 Share based payments (continued)

The Discretionary Share Plan is part of the remuneration package of certain employees of the Group. Options under this scheme will vest in accordance with a set timescale as detailed at the time of grant. All current options currently granted under this scheme vested at 30 June 2024. Upon vesting, each option allows the holder to purchase one ordinary share at the stated share price. If the option holder leaves the employment of the Group the option is forfeited.

The expected volatility is based on historical volatility over the past three years. The expected life is the average expected point to exercise. The risk-free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in the assumptions about a number of options that are expected to become exercised. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that on vesting.

Fair values for the share option schemes have been determined using the Black-Scholes model, except for the Executive director scheme, where fair values have been calculated via the Monte Carlo method.

A reconciliation of option movements over the year to 30 June 2024 is shown below:-

23 Share based payments (continued)

	Executive Director Scheme	Weighted average exercise price	Discretionary Share Plan 2022	Weighted average exercise price	General employee scheme	Weighted average exercise price	Total options
Outstanding at 30 June 2022	800,000	1.00p	-	-	1,283,000	365.96p	2,083,000
Granted	-	1.00p	98,000	1.00p	580,000	311.59p	678,000
Forfeited/lapsed	-	-	(3,000)	-	(91,000)	385.80p	(94,000)
Exercised	-	-	-	-	(85,000)	219.60p	(85,000)
Outstanding at 30 June 2023	800,000	1.00p	95,000	1.00p	1,687,000	349.91p	2,582,000
Granted	-	-	-	-	520,000	415.00p	520,000
Forfeited/lapsed	(800,000)	1.00p	-	-	(23,000)	391.30p	(823,000)
Exercised	-	-	-	-	(211,500)	436.52p	(211,500)
Outstanding at 30 June 2024	-	-	95,000	1.00p	1,972,500	357.60p	2,067,500
Exercisable at 30 June 2024	-	-	-	-	1,972,500	357.60p	1,972,500
Exercisable at 30 June 2023	-	-	-	-	1,687,000	349.91p	1,687,000

The total charge at 30 June 2024 relating to employee share-based payment plans, in accordance with IFRS 2, was £1,089,000 (2023: £1,061,000) all of which related to equity-settled share-based payment transactions. The weighted average share price at the date of exercise for the above options was £3.73 (2023: £3.56)

The range of exercise prices for the General employee scheme options outstanding at the end of the period is 78.50p and 617.00p.

23 Share based payments (continued)

Analysed by exercise price	2024 Number outstanding	2024 Weighted average remaining contractual life	2023 Number outstanding	2023 Weighted average remaining contractual life
£0.785 - £2.00	106,100	2 years	111,600	3 years
£2.01 - £4.00	1,159,400	7 years	1,039,400	8 years
£4.01 - £6.00	607,000	8 years	436,000	8 years
£6.01 - £6.17	100,000	6 years	100,000	7 years
	1,972,500	7 years	1,687,000	8 years

24 Related party transactions

Transactions between the Group and David Orr

Under the terms of supply agreements between the Company and Manor Packaging Limited, a private company incorporated in England and Wales in which Mr David Orr, a non-executive director in the Company, is a director, monies totalling £663,000 were payable (Restated net of VAT: 2023: £433,000, previously stated Gross: £519,000). At 30 June 2024, the Group owed Manor Packaging Limited £107,000 (2023: £nil).

Transactions between the Group and Bart Leemans

During the year, the Group paid £44,000 (2023: £34,000) for warehouse space owned by Vicella, a management company owned by Bart Leemans, an executive director in the Company. At 30 June 2024, the Group owed Vicella £nil (2023: £nil). Bart Leemans was remunerated for his services as director through Vicella for the amounts as shown in the directors remuneration report on page 26.

Transactions between the Parent Company and subsidiaries

During the year, the parent company, Tristel PLC had various expenses paid for on its behalf by its subsidiaries. These are detailed below including the balances outstanding at the year end. The Parent company received dividends from its subsidiaries during the year, these are disclosed in total on the face of the Parent Company Statement of financial position.

Other transactions with Directors

Dividends were paid to Directors as follows:

	2024	2023
	£	£
Paul Swinney	38,360	39,379
Elizabeth Dixon	33,197	25,690
David Orr	6,772	4,929
Bart Leemans	125,247	91,167
Caroline Stephens	259	188
Isabel Napper	262	191
Tom Jenkins	1,050	-

Key management personnel compensation

24 Related party transactions (continued)

	2024	2023
	£000	£000
Salaries and other short term employee benefits	1,794	1,832
Post-employment benefits	142	132
Share-based payments	330	329
	2,266	2,293

The key management figures given above includes Executive, Non-Executive Directors and three other individuals.

During the year remuneration was paid to certain close relatives of key management personnel, totalling £175,000 (2023: £129,000).

25 Non-GAAP Measures

Non-GAAP measures

Income statement reconciliation

The group presents adjusted profit measures (gross profit, operating profit/EBIT, Profit after tax, Profit before tax and EBITDA) by making adjustments for costs and profits, which management believes to be significant by virtue of their size, nature or incidence. Such items may include, but are not limited to, share based payments expense, impairments, fair value movements on investments and restructuring. In addition, the group presents gross profit, adjusted gross profit, EBITDA and adjusted EBITDA (adjusted in the same manner) as management believes that this is an important metric for the shareholders. The group uses adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting. See below reconciliation of gross profit, operating profit (EBIT), profit before tax, net profit and EBITDA to the respective adjusted measures.

25 Non-GAAP Measures (continued)

Adjusted profit measures	**2024 Statutory**	**Adjustment 1**	**2024 Adjusted**
	£000	**£000**	**£000**
Operating profit (EBIT)	6,982	1,089	8,071
Net finance costs	100		100
Profit before tax	7,082	1,089	8,171
Income tax expense	(593)	(303)	(896)
Profit attributable to equity shareholders	6,489	786	7,275
Effective tax rate	8%		11%
Profit before tax margin	17%		19%
Profit for the year	6,489	786	7,275
Income tax expense	593	303	896
Net finance cost	(100)		(100)
Depreciation, amortisation and impairments	2,773		2,773
EBITDA	9,755	1,089	10,844
Revenue for the year	41,933		41,933
EBITDA margin	23%		26%

ROCE	**2024 Statutory**
	£000
Total assets	44,109
Current liabilities	(6,592)
Capital employed	37,517
EBIT	6,982
ROCE	19%

25 Non-GAAP Measures (continued)

Adjusted profit measures	Notes	2023 Statutory	Adjustment 1	2023 Adjusted
		£000	£000	£000
Operating profit (EBIT)		5,281	1,061	6,342
Net finance costs		(169)	-	(169)
Profit before tax		5,112	1,061	6,173
Income tax expense		(651)	(483)	(1,134)
Profit attributable to equity shareholders		4,461	578	5,039
Effective tax rate		13%	46%	18%
Profit before tax margin		14%		17%
Profit for the year		4,461	578	5,039
Income tax expense		651	483	1,134
Net finance cost		169	-	169
Depreciation, amortisation and impairments		2,618	-	2,618
EBITDA		7,899	1,061	8,960
Revenue for the year		36,009	-	36,009
EBITDA margin		22%	-	25%

ROCE	2023 Statutory
	£000
Total assets	41,367
Current liabilities	(5,763)
Capital employed	35,604
EBIT	5,281
ROCE	15%

Specific adjusted items are as follows:

1. Share-based payment charges under IFRS 2 (see note 23)

25 Non-GAAP Measures (continued)

Gross profit margin reconciliation

The Group presents adjusted gross profit measures by making adjustments to cost of sales regarding production costs. The Group presents these adjusted measures as a method to provide shareholders with clear and consistent reporting.

25 Non-GAAP Measures (continued)

Adjusted profit measures	**2024 Statutory**	**Adjustment 1**	**2024 Adjusted**
	£000	**£000**	**£000**
Revenue	41,933	-	41,933
Cost of sales excluding depreciation	(7,974)	966	(7,008)
Depreciation included within Cost of sales	(381)	381	-
Total Cost of sales	(8,355)	1,347	(7,008)
Gross Profit	33,578	1,347	34,925
Gross Profit Margin	80%		83%

	2023 Statutory	**Adjustment 1**	**2023 Adjusted**
	£000	**£000**	**£000**
Revenue	36,009	-	36,009
Cost of sales	(7,661)	827	(6,834)
Depreciation included within Cost of sales	(430)	430	-
Total cost of sales	(8,091)	1,257	(6,834)
Gross Profit	27,918	1,257	29,175
Gross Profit Margin	78%		81%

Specific adjusted items are as follows:

1. Reallocation of costs of production to Administrative expenses.

26 Financial risk management and impairment of financial assets

Group

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and exchange rate risk:

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables, which are concentrated in a large number of low value customer accounts. In addition, operations in emerging or new markets may have a higher than average risk of political or economic instability, and may carry increased credit risk. In each case the risk to the Group is the recoverability of the cash flows.

Credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The credit risk on trade and other receivables is managed by agreeing appropriate payment terms with customers, obtaining credit agency ratings of all potential customers; by requiring wherever possible payment for goods in advance or upon delivery; and by closely monitoring customers balances due, to ensure they do not become overdue. In addition, careful consideration is given to operations in emerging or new markets before the Group enters that market.

Cash flow risk

Group cash balances and expected cash flow are monitored on a daily basis to ensure the Group has sufficient available funds to meet its needs.

Exchange rate risk

Group exposure to exchange rate risk includes the measurement of overseas operations at the relevant exchange rate and changes in trade payables and receivables as a result of exchange rate movements. Daily exchange rate movements are monitored and any losses or gains incurred are taken to the income statement and reported in the Group's internal management information. Before agreeing any overseas transactions, consideration is given to utilising financial instruments such as hedging and forward purchase contracts, none of which were in place at the year end.

Credit risk and impairment

Exposure to credit

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

26 Financial risk management and impairment of financial assets (continued)

	2024 Group Carrying amount £000	2023 Group Carrying amount £000	2024 Company Carrying amount £000	2023 Company Carrying amount £000
Cash and cash equivalents	6,139	7,113	380	1,104
Short-term investments	5,650	2,432	350	-
Receivables from group entities	-	-	13,949	10,890
Trade and other receivables excluding prepayments	5,869	5,757	33	89
	17,658	15,302	14,712	12,083

26 Financial risk management and impairment of financial assets (continued)

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

	2024 Group Carrying amount £000	2023 Group Carrying amount £000	2024 Company Carrying amount £000	2023 Company Carrying amount £000
United Kingdom	2,716	2,787	4,259	2,446
Rest of the World	2,933	2,970	-	-
	5,649	5,757	4,259	2,446

The Group's and the Company's trade and other receivables have been reviewed for amounts past due. A loss allowance of £52,000 (2023: £14,000) has been provided in respect of this.

In addition, some of the unimpaired trade and other receivables are past due as at the reporting date. The age of the trade and other receivables past due are as follows:

Group

	2024 £000	2023 £000
Not past due	3,056	4,396
Past due 0-30 days	1,511	750
Past due 31-120 days	479	401
Past due 120 days +	603	210
	5,649	5,757

26 Financial risk management and impairment of financial assets (continued)

Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 to 12 months**	**More than 12 months**
	£000	**£000**	**£000**	**£000**	**£000**
30 June 2024					
Non-derivative financial liabilities					
Trade and other payables (excluding taxes)	4,629	4,629	4,629	-	-
	4,629	4,629	4,629	-	-
30 June 2023					
Non-derivative financial liabilities					
Trade and other payables (excluding taxes)	4,003	4,003	4,003	-	-
	4,003	4,003	4,003	-	-

IFRS 16 maturity analysis is detailed in Note 10 on page 129

26 Financial risk management and impairment of financial assets (continued)

Company	Carrying amount	Contractual cash flows	6 months or less	6 to 12 months	More than 12 months
	£000	£000	£000	£000	£000
30 June 2024					
Non-derivative financial liabilities					
Trade and other payables (excluding taxes)	351	351	351	-	-
	351	351	351	-	-
30 June 2023					
Non-derivative financial liabilities					
Trade and other payables (excluding taxes)	195	195	195	-	-
	195	195	195	-	-

26 Financial risk management and impairment of financial assets (continued)

	2024 Group £000	2023 Group £000	2024 Company £000	2023 Company £000
Current assets: loans and receivables at amortised cost				
Cash and cash equivalents	6,139	7,113	380	1,104
Short-term investments	5,650	2,432	350	-
Receivables from group entities	-	-	13,949	10,890
Trade and other receivables excluding prepayments	5,869	5,757	33	89
	17,658	15,302	14,712	12,083

	2024 Group £000	2023 Group £000	2024 Company £000	2023 Company £000
Current liabilities				
Trade and other payables	4,629	4,003	351	195
	4,629	4,003	351	195

All of the above relate to the IFRS 9 category ‘loans and receivables’.

All of the above relate to the IFRS 9 category ‘other financial liabilities’ held at amortised cost.

Liquidity needs are managed by regular review of the timing of expected receivables and the maintenance of cash on deposit.

26 Financial risk management and impairment of financial assets (continued)

Currency risk

The Group has an element of currency risk as it buys certain chemicals, parts and equipment from overseas manufacturers, sells finished products into overseas markets and holds foreign currency cash balances. The movement in exchange rates in the current market conditions means that the Group will face an element of uncertainty in relation to foreign currency transaction and assets in the near term. The below table details balances denoted in Euro but held in entities with Sterling as the functional currency. An adverse movement in exchange rates could lead to losses on these positions.

As at 30 June 2024 an adverse movement in the Euro of 10% would result in a reduction of the Group’s equity and profit or loss of £6k (2023: £80k)

	2024	2023
	£'000	£'000
Assets (Euro)	65	892

Interest rate

The Group’s financial assets include cash at bank and short-term investments. At 30 June 2024, the average interest rate earned on the temporary closing balances was 0.02% (2023: 0.01%).

Sensitivity analysis

The Group’s sensitivity to interest rates are considered immaterial.

The Group has an exposure to exchange rates, gains and losses are recognised upon the translation of overseas subsidiary profits, foreign currency cash holdings and non-GBP trade. There is a loss of £252k within these financial statements, shown within note 4. This balance consists of a £51k loss originating upon the translation of overseas profits and a £201k loss from the revaluation of cash and open trade balances at the year end.

Fair values versus carrying amounts

There is no material difference between fair values and carrying amounts of financial assets and liabilities.

26 Financial risk management and impairment of financial assets (continued)

Capital risk management

The Group's capital management policy is to maintain a strong capital base so as to enhance investor, creditor and market confidence. The Board's objective is to safeguard the Group's ability to continue as a going concern, to sustain the future development of the business and to provide returns for shareholders, whilst controlling the cost of capital.

The Group monitors capital on the basis of the carrying amount of equity, less cash as presented on the face of the statement of financial position.

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholder, issue new shares or sell assets.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

26 Financial risk management and impairment of financial assets (continued)

Capital for the period is summarised as follows:

	2024 Group	2023 Group	2024 Company	Restated 2023 Company
	£'000	£'000	£'000	£'000
Total equity	32,456	30,684	31,027	27,285
Cash and cash equivalents	(6,139)	(7,113)	(380)	(1,104)
Short-term investments	(5,650)	(2,432)	(350)	-
Capital	20,667	21,139	30,297	26,181
Total equity	32,456	30,684	31,027	27,285
Borrowings (Leases)	5,864	5,180	-	-
Overall financing	38,320	35,864	31,027	27,285
Capital to overall financing ratio	0.539	0.5894	0.976	0.9595

27 Prior Year Restatement

Group

IAS 2: Cost of sales restatement

Within the prior year Income Statement elements of the cost of production were erroneously included within Administrative expenses, excluding share-based payments, depreciation, amortisation and impairment and Depreciation, amortisation and impairments. £1,257,000 has been reclassified to Cost of sales, £430,000 from Depreciation, amortisation and impairments and £827,000 from Administrative expenses, excluding share-based payments, depreciation, amortisation and impairment to align to the requirements of IAS 2. This has no overall effect on the total profit for the prior financial year. The adjustment does not impact the amounts previously presented on the Balance Sheet at 30 June 2022 and therefore a third Balance Sheet is not considered to provide a user of the financial statements with any additional information.

27 Prior Year Restatement (continued)

Group Income Statement	2023 previously reported	Restatement	2023 Restated
	£'000s	£'000s	£'000s
Revenue	36,009	-	36,009
Cost of sales excluding depreciation	(6,834)	(827)	(7,661)
Depreciation included within Cost of sales	-	(430)	(430)
Total Cost of sales	(6,834)	(1,257)	(8,091)
Gross profit	29,175	(1,257)	27,918
Distribution expenses	(323)	-	(323)
Administrative expenses:			
Share-based payments	(1,061)	-	(1,061)
Depreciation, amortisation and impairments	(2,618)	430	(2,188)
Other	(19,896)	827	(19,069)
Total Administrative expenses	(23,575)	1,257	(22,318)
Other operating income	4	-	4
Operating Profit	5,281	-	5,281
Finance income	10	-	10
Finance costs	(179)	-	(179)
Net finance cost	(169)	-	(169)
Profit before tax	5,112	-	5,112
Income tax expense	(651)	-	(651)
Profit for the year	4,461	-	4,461

Company

Dividend received restatement

During the current financial year it was identified that a dividend received from a subsidiary company during a prior financial period had been incorrectly accounted for within the accounts. The required correction has no bearing on the Company income statement for year ending 30 June 2023. The below entry was made to rectify the error and the prior year Company Statement of Financial Position and Company Statement of Changes in Equity have been restated for the correction detailed in the table below:

27 Prior Year Restatement (continued)

Company statement of financial position 2023	2023 previously reported	Restatement	2023 Restated
	£'000s	£'000s	£'000s
Trade and other receivables	10,393	744	11,137
Retained Earnings	(10,089)	(744)	(10,833)

Company statement of financial position 2022	2022 previously reported	Restatement	2022 Restated
	£'000s	£'000s	£'000s
Trade and other receivables	8,165	744	8,909
Retained Earnings	(6,431)	(744)	(7,175)

28 Net funds - Liabilities from financing activities and cash and cash equivalents

	Leases	Cash and cash equivalents	Short term investments	Total
	£000	£000	£000	£000
Net funds as at 1 July 2022	(5,796)	8,883	-	3,087
Cash movement	-	(1,799)	2,432	633
Payment of lease liabilities	1,126	-	-	1,126
Lease interest	(176)	-	-	(176)
Acquisition - leases	(469)	-	-	(469)
Terminations - leases	128			128
Foreign exchange adjustments	7	29	-	36
Net funds at 30 June 2023	(5,180)	7,113	2,432	4,365
Cash movement	-	(766)	3,218	2,452
Payment of lease liabilities	1,240	-	-	1,240
Lease interest	(218)	-	-	(218)
Acquisition - leases	(1,752)	-	-	(1,752)
Terminations - leases	51	-	-	51
Foreign exchange adjustments	(5)	(208)	-	(213)
Net funds as at 30 June 2024	(5,864)	6,139	5,650	5,925