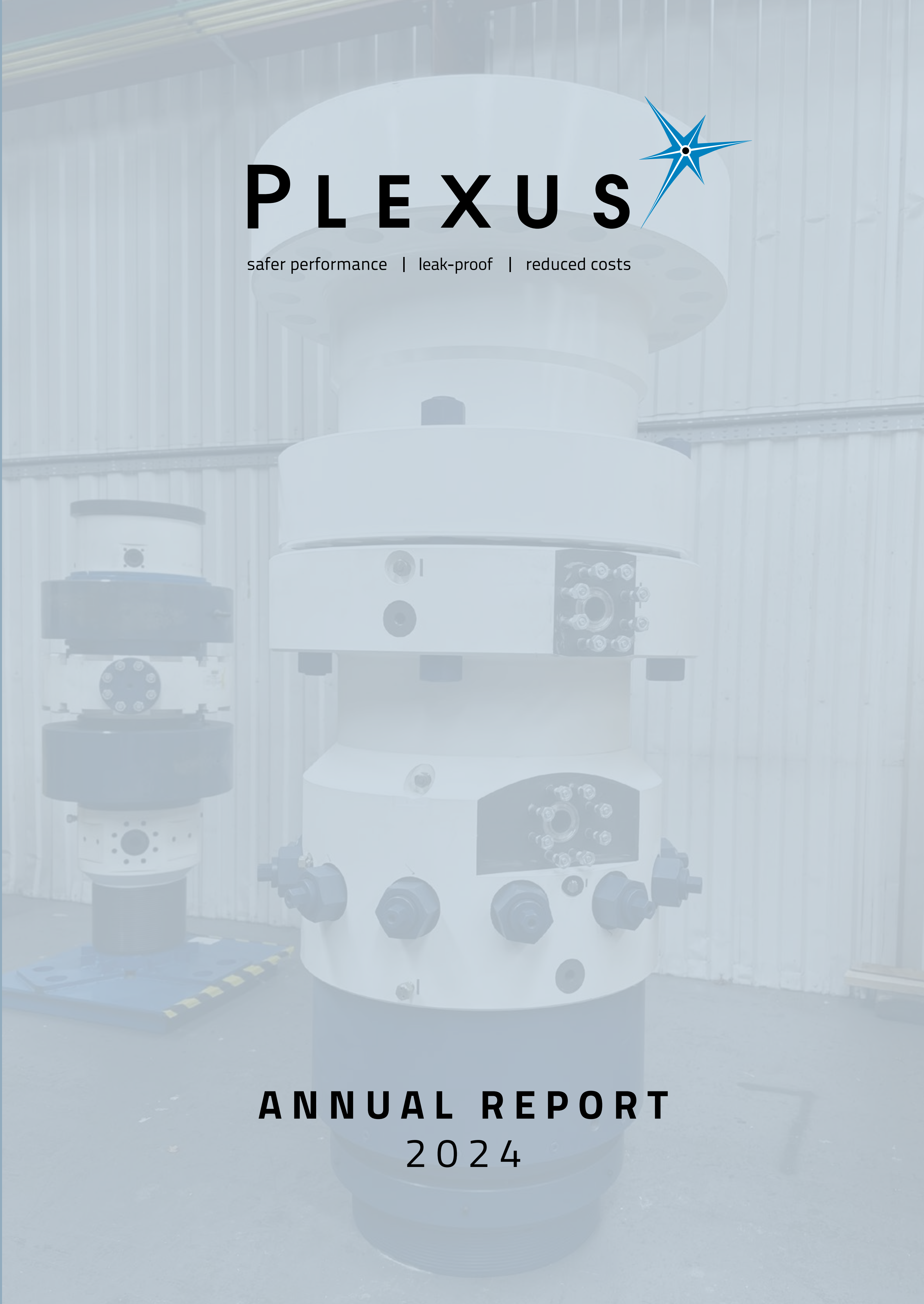

PLEXUS

safer performance | leak-proof | reduced costs

ANNUAL REPORT 2024

PLEXUS HOLDINGS PLC | ANNUAL REPORT | 2023/24

Financial and Operational Overview

Financial Summary

- Sales revenue £12.7m (2023: £1.5m)
- Adjusted EBITDA £5.4m (2023: £2.5m loss) (page 7)
- Profit before tax (reported) £2.8m (2023: £4.2m loss)
- Profit before tax (adjusted) £3.5m (2023: £4.2m loss) (page 6)
- Profit after tax £2.9m (2023: £4.0m loss)
- Basic earnings per share 2.83p (2023: 4.00p loss)
- Cash and cash equivalents of £2.5m (2023: £1.4m)
- Total assets £19.9m (2023: £18.6m)
- Total equity £15.4m (2023: £11.5m)

Operational Overview

- August 2023 - value of the major rental contract announced on 6 March 2023 increased materially from c.£5m to c.£8m.
- September 2023 – successful completion of Oceaneering Plug and Abandonment (‘P&A’) campaign originally announced in June 2022. Plexus Mud Containment System used sequentially on four different wells generated revenues of £850,000, a 70% increase on initial estimates.
- October 2023 – contract for a P&A project secured through licensor SLB for the rental of Exact™ adjustable wellhead system and Centric Mudline tooling for a leading North Sea operator with a value of c. £100,000.
- November 2023 – contract with a value of c. £175,000 awarded by Neptune Energy UK for the rental of Exact adjustable wellhead system and Centric Mudline Suspension equipment to allow the permanent abandonment of a UK North Sea well.
- December 2023 – completed a licensing agreement with SLB replacing an existing surface production wellhead license for a cash consideration of $5.2m.
- February 2024 – contract valued in excess of £1m to provide specialised equipment and services for multiple P&A activities in the North Sea.
- February 2024 - successful completion of a customer sponsored R&D project to develop a bespoke lifetime leak-proof replacement tubing hanger neck seal assembly ('HG-R') to upgrade and extend the field life of existing surface production wellheads.
- R&D expenditure, including patents, rose from £516k in 2023 to £558k in 2024, reflecting ongoing investment to protect, develop, and expand the Group's product range.

Post period end

- Work commenced on North Sea P&A contract announced February 2024 as above.
- Major rental contract nearing completion with full revenues now anticipated to reach £9m.
- Manufacturing in process of additional sets of Exact wellhead equipment to support growth in the Jack-up rental wellhead market.
- Signed a new Master Services Agreement with a well management company - anticipated to generate a variety of work in the P&A sector, as well as in Jack-up exploration and appraisal drilling worldwide.
- Annual API audit successfully completed with Company retaining its API Q1 accreditation.
- Changes to the Board announced in July 2024, including founder Ben van Bilderbeek becoming Non-executive Chair and Craig Hendrie appointed as CEO.

Chief Executive Craig Hendrie said:

"During the year to 30th June 2024, the Group made a profit before tax of £2.80m compared to a loss in the prior year of £4.23m. This return to profitability is due to an exceptional licence deal and a large special project, in addition to progress made in the underlying revenue of the core business of Jack-up rental wellheads.

The conclusion of the $5.2m licencing deal to SLB in December 2023 was a welcome cash boost, which also enabled us to begin consolidating Plexus' remaining products and licence rights into a new business direction. This strategy builds upon our long-standing success in the Jack-up wellhead market while adapting to the changing trends in the global offshore oil and gas drilling market. Notably, it addresses the North Sea's shift from traditional drilling to Carbon Capture Storage ('CCS') and Plug and Abandonment ('P&A') projects.

The £8m major rental contract has been a highlight as it has combined Plexus' POS-GRIP Technology and "HG" Seals deployed in a subsea application for P&A work, whilst also heavily supported by its specialised engineering capability. Once this project is completed, it will free up resources to pursue other similar work.

The strategy now is to focus on short-term growth in Jack-up rental revenue, to maintain profitability, and to establish a diversified mix of income that can be more resilient to future cycles of the energy market and local government policies. This solid base will allow us to incubate and develop more of the underlying value in applications of POS-GRIP Technology that Plexus retains, including HG-R production wellhead remediation technology, HG Trees, the P&A market, and subsea infrastructure, such as the Python subsea wellhead system.

Our recent achievements, including securing a major contract for subsea wellhead rental equipment and specialised P&A services for a North Sea operator, underscore Plexus' commitment to innovation and growth. By focusing on expanding our Exact rental wellhead inventory and forging strong global partnerships, we are not only advancing our technology but also positioning ourselves to deliver exceptional value to our shareholders. The momentum we are building is the beginning of an exciting new chapter for Plexus.

In closing, we recently announced changes in the Plexus Board, and as the new CEO, I would like to thank Ben van Bilderbeek and Graham Stevens for their contribution and leadership and look forward to working with Mike Park and Stas van Bilderbeek as we build the Company, our technology and products towards an exciting future."

Contents

Chairman's Statement

Business progress

The Group's revenues increased in the 12 months to 30 June 2024 to £12.7m (2023: £1.5m), with a profit before tax of £2.8m compared to loss of £4.2m in the prior year.

With the SLB licence deal concluded and the new Executive team in place, we are well placed to add growth in the new energy marketplace, in particular supporting offshore activities in P&A work, gas and CCS storage, as well as continued oil and gas drilling and development.

The December 2023 IP Licence Agreement with SLB was a significant endorsement of Plexus' POS-GRIP Technology. We hope to see SLB flourish with this technology as it introduces derivative products into the market, leveraging the advantages of POS-GRIP-enabled wellheads, including reduced component complexity and the leak-proof seal integrity provided by POS-GRIP "HG" Technology. Following this exclusive licence for onshore and offshore surface production wellheads, we have had to readjust our expectations of the market still available to Plexus as we now only have the right to pursue smaller development projects and more technically challenging applications such as production wellheads requiring adjustability.

The August 2021 Exact Adjustable Wellhead licence agreement with SLB enabled Plexus to re-enter the Jack-up adjustable wellhead market with the proven Exact and Centric wellhead and mudline suspension products, which we originally invented and developed during the 1990's. This product range and market sector, which in the past was core to Plexus' product range is once again active and is now a key part of our short-term growth strategy. The market for rental wellheads for Jack-up rigs is somewhat different today to what we have seen in the last two decades, especially in the North Sea where the market has switched from Exploration Drilling and Development to P&A work with some gas and CCS storage work as well. The Exact wellhead range is perfectly suited to both P&A and drilling work (whether it be oil and gas exploration, or CCS) and so we have continued to expand our rental inventory of this equipment to meet strong growth expected in the Jack-up rental wellhead market at home and abroad.

Our execution of the North Sea P&A campaign (see RNS dated 16.02.2024) using Exact rental wellhead equipment is progressing smoothly with both the equipment and Plexus' operational support teams performing well. In a recent development, the MR Connector, previously deployed on a floating-vessel-based P&A campaign with Oceaneering (see RNS dated 06.10.2023), has also been ordered for one well, which is additional work scope to the original contract. This addition to the contract for Jack-up rig operations shows the flexibility of the product as well as Plexus' capability to widen the scope of work and increase revenue with customers once work is underway.

To meet demand and further support growth in the Jack-up rental wellhead market, Plexus is manufacturing additional sets of Exact wellhead equipment. The next four sets are scheduled for completion by the end of 2024, positioning them for deployment from the start of 2025. Plexus has also signed a new Master Services Agreement with a well management company. This agreement will facilitate orders for Exact wellhead services for global projects, anticipated to generate a variety of work in the P&A sector, as well as in Jack-up exploration and appraisal drilling worldwide.

The £8 million major rental contract announced last year is progressing on schedule and is expected to conclude within the next two months. This will free up internal resources for new ventures. Upon completion, Plexus plans to share its technical advancements with operators worldwide, which we anticipate will lead to similar opportunities.

Recently, Plexus secured a new order for subsea wellhead rental equipment and services tailored for specialised P&A work for a North Sea operator. This project is projected to generate in excess of £0.5 million in revenue within the current financial year.

Intellectual Property

Plexus' IP and decades-long track record of successful invention and innovation are the core of the Company, distinguishing it from many other wellhead and oilfield service companies.

In the Jack-up wellhead business, Plexus has a rich history of involvement in many of the wells which have been drilled around the world. Together with the Exact licence and collaboration with SLB we have a strong and unique position to be able to provide services for P&A work as it arises, in addition to new oil and gas or storage developments.

POS-GRIP Technology remains central to Plexus and has been endorsed by TFMC, which has the exclusive licence for POS-GRIP Jack-up Wellheads, and SLB, which is licenced for standard surface production wellheads. Plexus retains the rights to all subsea applications of the technology and other special applications; a longer-term strategy is to expand in these applications creating opportunities to broaden our product range or explore potential licensing to existing service companies.

POS-GRIP is heavily protected by patents, as well as proprietary information and know-how. This protection is in the process of further enhancement with two new method patents, which have now been published as applications, and are expected to be granted in the coming months. This will give all applications of POS-GRIP, including those already licenced to others, a renewed protection period of 20 years.

Staff

On behalf of the Board, I would once again like to thank all our employees for their dedication and hard work during the year. I am confident that the anticipated increase in exploration and production drilling activity, are already beginning to show positive results this year, and will not only benefit our staff but also create future employment opportunities within Plexus.

Outlook

Despite the current climate of negativity towards offshore oil and gas, we are very optimistic about the growth of the business and the opportunities which are suited to our unique mix of proprietary products and engineering capability. The global demand for Jack-up rigs remains strong, and our product mix is well suited to many of the activities that these rigs are performing, such as P&A and CCS work in the North Sea, as well as exploration and production drilling in locations such as the Middle East and South-East Asia where demand remains strong.

With a strategy to focus on our products that provide a shorter lead time to profitability, collaboration with SLB, and robust IP for the medium and longer term, we have a solid foundation for growth, which will benefit our customers whilst enhancing shareholder returns. Additionally, by diversifying into P&A and emerging areas such as CCS and geothermal, we are reducing our reliance on oil and gas exploration and development.

In closing, I thank the Board and, in particular, the new Executive team, the Aberdeen management team and our staff for their continued hard work and support over the course of the year. I look forward to working with them all in the year ahead as we focus on delivering on our overriding objective, which remains to generate increasing value for all our shareholders.

Ben van Bilderbeek
Non-Executive Chairman
21 October 2024

Strategic Report

The Directors present their strategic report for the year ended 30 June 2024.

Principal Activity

The Group provides wellhead equipment and related equipment and services, for oil and gas drilling and production, CCS and gas storage, and well P&A activities. Plexus specialises in adjustable wellhead equipment which has particular benefits for work based on Jack-up rigs. Other specialised equipment based on Plexus POS-GRIP Technology are also offered.

Business review

A review of the development and performance of the business during the year consistent with its size and complexity, together with commentary on future developments including the main trends and factors likely to affect the business, is given in the Chairman's Statement on page 4. Where guidelines refer to the provision of key performance indicators, the directors are of the opinion certain financial and non-financial indicators included in the highlights on page 1, and the Directors' Report on page 15 meet this requirement. The Directors have provided a description of the principal risks and uncertainties facing the Group on page 9.

Financial Results

Statement of Comprehensive Income

Revenue

Revenue for the year was £12,723k, a significant increase from £1,487k in the previous year. This has been driven by the major contract noted in the operational review which has generated £7,644k in the current year and the SLB licensing agreement £4,082k.

Margin

Gross margin was broadly in line with last year at 72.2% (compared to 73.1% in the previous year). A year-to-year comparison on margin adds little value given the significant difference in the revenue mix in addition to the low revenue levels in the prior year. The licensing income has no associated cost of sales. Additionally, the specialised project has led to significant capex leading to increased rental asset depreciation which is included in cost of sales.

Overhead expenses

Administrative expenses have increased compared to the prior year with expenditure of £5,579k (2023: £5,348k).

Continuing salary and benefit costs remain the largest component of administrative expenses at £3,267k compared to £2,930k in the prior year.

Non-recurring items

The statement of comprehensive income includes a gain of £83k on the sale of an associate undertaking, which was recognised as an asset held for sale in the prior year.

Additionally, non-recurring items includes a payable of £693k relating to compensation for loss of office to two directors which was approved pre-year end and will become payable prior to or on 31 December 2024. Further details are included in the Remuneration Committee Report.

Profit Before Tax

Profit before tax of £2,803k compares to a loss in the prior year of £4,228k.

Adjusted profit before tax of £3,496k is stated prior to Non-recurring expense of £693k for compensation for loss of office for two directors, details of which are given in the Remuneration Committee Report on page 28.

Adjusted EBITDA

The Directors use, amongst other things, Adjusted EBITDA as a non-GAAP measure to assess the Group's financial performance. The Directors consider Adjusted EBITDA to be the most appropriate measure of the underlying financial performance of the Group in the period. Adjusted EBITDA for the year was a profit of £5,446k, compared to a loss of £2,451k in the previous year.

Adjusted EBITDA on continuing operations is calculated as follows:

	2024	2023
	£'000	£'000
Operating profit / (loss)	**2,910**	(4,261)
Add back:		
–Depreciation	**560**	307
–Amortisation	**1,281**	1,253
Non-recurring - Compensation for loss of office	**693**	–
Other income	**2**	69
Share in profit of associate	**–**	182
Fair value adjustment on financial assets	**–**	(1)
Adjusted EBITDA on continuing operations	**5,446**	(2,451)

Tax

The Group shows a total income tax credit of £130k for the year compared to a tax credit of £213k for the prior year.

Earning / (loss) per share

The Group reports basic earnings per share of 2.83p compared to a loss per share of 4.00p in the prior year.

Statement of Financial Position

Intangible Assets and Intellectual Property ("IP")

The net book value of intangible assets was £8,312k, a decrease of 5% from £8,731k last year. This movement represents total investment of £558k less the annual amortisation charge of £977k.

Plexus owns an extensive range of IP which includes many registered patents and trademarks across a number of jurisdictions, and actively works to develop and protect new methods and applications. In addition to registered IP Plexus has developed, over many years, a vast body of specialist know-how. Plexus is also currently pursuing the registration of Method Patents, which would further extend the scope of current patent protections.

The market capitalisation of the Company at the reporting date is £13.72m, which is less than the carrying value of the assets (£19.91m); this is an indicator of impairment. Following a thorough review, including a discounted cashflow model which has included cashflows for 20 years, the Directors have concluded no impairment of IP is required. Therefore, the Directors consider the current carrying values to be appropriate (note 11).

Research and Development ("R&D")

R&D expenditure including patents increased from £516k in 2023 to £558k in 2024. Continued investment in R&D demonstrates the Group is protecting, developing, and broadening the range of its product offering.

Tangible Assets

The net book value of property, plant and equipment and items under construction at the year-end was £3,908k compared to £1,404k last year. Capital expenditure on tangible assets increased to £3,064k compared to £890k in the prior year. The capex in the year was largely to service the major contract, and the equipment used can be deployed again in the future.

Investments / Asset held for sale

The asset held for sale in the prior year relates to Plexus' 49% investment in Kincardine Manufacturing Services Limited ("KMS"). The investment was subsequently sold for a total consideration of £1m in the year. The sale gave rise to a gain on sale of £83k which is included in the statement of comprehensive income. The sale was to a related party as documented in note 27.

Cash and Cash Equivalents

Cash at the year-end was £2,486k compared to £1,449k in the prior year, reflecting a net cash inflow for the year of £1,037k.

The expected future cash inflows and the cash balances held are anticipated to be adequate to meet current on-going working capital, capital expenditure, R&D, and project related commitments.

Convertible loans

On 31 January 2024 the company made a cash payment to redeem £850k of loan notes. Including a redemption premium of £170k, a total payment of £1,020k was made. At the reporting date the outstanding loan notes have a fair value of £856k (2023: £1,702).

Dividends

The Company has not paid any dividends in the year and does not propose to pay a final dividend. Whilst the Company remains committed to distributing dividends to its shareholders when appropriate, the Directors believe that it is prudent to suspend the payment of dividends considering the ongoing capital and operational requirements of the business.

Operations

The Group's primary focus during the year has been the successful delivery of the major contract noted in the operational overview. This has generated revenue of £7,644k in the current year.

Plexus continued to invest in R&D during the year, with significant focus on optimising the Exact rental exploration wellhead product range for the current market and completing product development and testing required for the specialised project. R&D remains an important operational activity and further develops the value of our IP and ability to extend the range of applications of our technology.

Staff at the end of June 2024 (excluding non-executive directors) comprised 37 employees, including one international employee, with a weighted average total of 36 which remains unchanged from the prior year.

Staff development remains a significant focus with the completion of a comprehensive evaluation and revision of the in-house training modules to ensure they continue to provide the necessary underpinning knowledge and skills which is required of those fulfilling technical roles.

The Company continues to maintain the OPITO accreditation for its competency management system, with continual developments and improvements to the process, ensuring a robust assessment of employees in safety-critical roles.

Health and Safety continues to be a pivotal part of the business and remains a key focus. Plexus remains fully committed to continually improving safety standards and the safety culture across the business. This is reflected in the business being once again lost time injury ("LTI") free this year. Plexus has now passed its ninth anniversary of this milestone in September 2024.

Plexus continues to comply with the requirements of the API Q1/ISO 9001 and ISO 45001 standard leading to the retention of both API 6A and 17D Licences. These accreditations demonstrate Plexus' capability and determination to operate under the highest standards. Post period end API conducted an audit, with Plexus retaining its API Q1 accreditation.

Strategy and Future Developments

Plexus has been involved in the design of specialised wellhead equipment for the offshore market for over 40 years, and this history and knowledge continues to drive the products and services that are offered.

In 2021, Plexus licenced the Exact wellhead and Centric mudline systems back from SLB and set about updating and improving this product range to compete in the current market. This has resulted in the Exact EX adjustable wellhead system, which is optimised for use on modern Jack-up rigs when they are used for exploration drilling, development, or CCS pre-drilling or P&A activities. This optimised system is significantly more cost effective than competing through-BOP adjustable wellheads, and Plexus is developing a fleet of rental wellhead systems to be deployed in this market, which forms the core of the short-term business growth.

Plexus retains the right to offer POS-GRIP surface production for small projects of less than four systems and in specialised applications such as adjustable wellheads. These types of opportunities are usually 12 months or more in the planning and manufacturing stages, and so this market sector will continue to be developed as a medium-term growth objective.

In the longer term, Plexus is working on leveraging the remaining applications of POS-GRIP, which are for subsea and other specialised applications. POS-GRIP has been successfully deployed in subsea applications recently, such as the Oceaneering P&A campaign and the current special application. These projects have used technology from the Python subsea wellhead system, and such successful deployments are significant steps along the way of field-testing elements of the system, making a full deployment of the Python system more viable.

Key Performance Indicators

The Directors monitor the performance of the Group by reference to certain financial and non-financial key performance indicators. The financial indicators include revenue, adjusted EBITDA, profit/loss, earnings per share, cash balances, and working capital resources and requirements. The analysis of these is included in the financial results section of this report. Non-financial indicators include Health and Safety statistics, R&D activity, equipment utilisation rates, the level of ongoing customer interest and support. The non-financial key performance indicators are included within the strategic report on page 6.

Principal Risks and Risk Management

There are a number of potential risks and uncertainties that could have an impact on the Group's performance, which include the following.

(a) **Political, legal, and environmental risks**

Plexus aims to participate in a global market where the exploration and production of oil and gas reserves, and the access to those reserves can be adversely impacted by changes in political, operational, and environmental circumstances. The current global political and environmental landscape, particularly in relation to climate change and net zero goals, continues to demonstrate how such factors can generate risks and uncertainties that can present a risk to trading. Such risks also extend to legal and regulatory issues, and it is important to understand that these can change at short notice. Regulatory changes can have an adverse impact on investment levels, as of course does a country's decision-making process in relation to granting new exploration and production drilling opportunities. To help address and balance such risks, the Group where possible seeks to broaden its geographic footprint and customer base, as well as actively looking to forge commercial relationships with large industry players, and potential licencees.

(b) **Oil and Gas Sector Trends**

New technologies, particularly in relation to renewables such as wind and solar, alternative energies and current developments such as the increasing use of electric vehicles could all in the future prove very disruptive to the traditional oil and gas industry and the corresponding demand for exploration and production equipment and services. To help mitigate this risk Plexus is committed to work in areas such as renewables, carbon capture and decommissioning, ensuring diversification from exploration and production.

(c) **Technology**

It is critical to the success of the Group to be able to anticipate changes in technology or in industry standards and to successfully develop and introduce new, enhanced and competitive products on a timely basis and keep pace with technological change.

As noted above the company is committed to widening the application of its technology. In order to ensure that the Group's technology and IP develop, the Group commits resources annually to research and development and is open to completing sponsored R&D projects on behalf of customers. Additionally, senior management have regular meetings with key end-customers to maintain visibility over their technological requirements.

(d) **Competitive risk**

The Group operates in highly competitive markets and often competes directly with large multi-national corporations who have greater resources and are more established. This risk has become more concentrated over recent years following a series of mergers and acquisitions by competitors creating larger entities. The major oil service and equipment company consolidations have magnified such issues as competitors reduce in number but increase in size, influence, and reach. Unforeseen product innovation or technical advances by competitors could adversely affect the Group, and lead to a slower take up of the Group's proprietary technology. To mitigate this risk, Plexus has an active R&D programme, and maintains an extensive suite of patents and trademarks, and actively continues to develop and improve its IP, including adding to its existing extensive 'know-how' to ensure that it continues to be able to offer unique superior wellhead design solutions.

(e) **Operational**

The Group operates in highly competitive markets, often directly against large multi-national corporations who have greater resources, are more established and have a larger geographical footprint. As a smaller group, the main operational risk is not obtaining work due to availability of equipment and resources. Plexus is mitigating this risk by focussing on increasing its rental fleet, and attempting to increase its geographical reach, by targeting work in new regions.

(f) **Going Concern, liquidity, and finance requirements**

As a relatively small business with adequate, but not excess cash resources, and following a number of loss-making years, Plexus has to closely monitor and manage cash flow. Additionally, Plexus' smaller market cap can be a negative factor if consideration is given to raising additional funds in the public markets.

The Group undertakes cashflow forecasting throughout the year to ensure the going-concern assumption is still appropriate. As disclosed in note 1b the Group is reliant on raising additional funding, an event that was indicated at the time the convertible loan arrangements were entered into in October 2022, and there can be no certainty regarding the timing and quantum of future funding and therefore this indicates a material uncertainty which may cast significant doubt regarding the Group's ability to continue as a going concern.

(g) **Credit**

The main credit risk is attributable to trade receivables. Where the Group's customers are large international oil and gas companies the risk of non-payment is significantly reduced, and therefore is more likely to be related to client satisfaction. Where smaller independent oil and gas companies are concerned, credit risk can be a factor. Customer payments can potentially involve extended payment terms. This risk can be mitigated by agreeing structured payment terms on larger value contracts with milestone stage payments. The Group's exposure to credit risk is monitored continuously, and to date its collections record has been extremely reliable.

(h) **Risk assessment**

The Board has established an on-going process for identifying, evaluating, and managing significant risk areas faced by the Group. One of the Board's control documents is a detailed "Risks assessment & management document," which categorises risks in terms of: business area (which includes IT), compliance, finance, cash, receivables, fixed assets, other debtors/prepayments, creditors, legal, and personnel. These risks are assessed and updated as and when appropriate and can be associated with a variety of internal and external sources including regulatory requirements, disruption to information systems including cyber-crime, control breakdowns and social, ethical, environmental and health and safety issues.

Section 172 Statement

This section serves as the section 172 statement and should be read in conjunction with the full Strategic Report and the Corporate Governance Report. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including shareholders, customers and suppliers, Licence Partners and the community and environment, through positive engagement and when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term and to protect the reputation of the Company.

Shareholders

Plexus seeks to develop an investor base of long-term shareholders that are aligned to our strategy, whether institutional or private retail investors. By communicating our strategy and objectives, we seek to maintain continued support from our investor base. Important issues include financial stability and the strength of the statement of financial position and protecting and strengthening the value of our intellectual property. Engagement with shareholders is a key element to this objective and methods of engagement are detailed in the Corporate Governance Report on pages 18 to 25. During the year, the Finance Director supported by other members of the executive team, the Company's broker, and the Investor Relations advisor, engaged where possible with investors by email, presentations, direct conversations, and ad-hoc meetings. The Company also continues to update its website to provide investors and other stakeholders with access to information about the Company. During the year, several key decisions were made by the Board, including extending the licensing agreement with SLB which raised funds of $5.2m. This fund-raising related decision was aimed at increasing shareholder value.

Employees

The Group's UK staff are engaged by the Company's subsidiary Plexus Ocean Systems Limited based in Aberdeen, Scotland. As a relatively small company with fewer than 40 employees largely operating in one location, there is a high level of visibility regarding employee engagement and satisfaction. The Company is engaged with a specialist firm of benefits advisers who can offer a comprehensive service to employees as well as to the Company. The Company consults with employees on matters of competency, training, and health and safety as detailed in the Corporate Governance Report on pages 18 to 25. Since the last report, the Company successfully achieved nine continuous years with no Lost Time Injuries ("LTI") and this successful safety culture has continued beyond that anniversary to the date of writing.

Customers and Suppliers

The Company is committed to acting ethically and with integrity in all business dealings and relationships. Fostering good business relationships with key stakeholders including customers and suppliers is important to the Company's success. The Board seeks to implement and enforce effective systems and controls to ensure its supply chain is maintaining the highest standard of business conduct in line with best practice including in relation to anti-bribery and modern slavery.

Licence Partners

The Company engages with Licence Partners in a way that follows the same principles as those applied to relationships with other customers and suppliers. Additionally, the Company engages with its Licence Partners to support their efforts to achieve commercial success by holding, as and when required, technical workshops, technical training, and data transfer. Following the announcement in November 2020 of entering into a non-exclusive surface wellhead licencing agreement with Cameron (SLB) and the extension of this agreement in December 2021, and the further agreement signed in December 2023, regular Teams meetings and occasional face to face meetings have been held as part of the process of transferring Plexus' relevant IP so that Cameron can design and develop its own low-cost wellhead with POS-GRIP technology inside. In May 2023 SLB exercised its option to extend its non-exclusive licence agreement with Plexus for an additional six years effective from November 2023. This was then the followed with the additional licensing agreement in December 2023.

Community and Environment

The Company has minimal environmental impact in the localities in which it operates. This clearly helps the Company meet its corporate objectives in this regard but is never taken for granted. In the year under review, the Company met its target for waste management and in general continues to operate in a manner that is open, honest, and socially responsible.

M Park
Chief Financial Officer
21 October 2024

Board of Directors

Bernard Herman van Bilderbeek BSc M. Eng (aged 76), Non-Executive Chairman

Ben founded the original Plexus business in 1986. He has over 40 years' experience in the industry in both engineering and management roles, and previously held senior positions with Vetco Offshore Industries, Dril-Quip, and Ingram Cactus. Following a career at Vetco, where Ben rose to the position of General Manager of UK Engineering, he went on to found his own oil and gas consultancy company, VBC Consultants, in 1982. During this time, his clients included Amoco, Marathon Oil, FMC Corporation and Dril-Quip. In 1986, Ben founded Plexus and went on to merge the wellhead division of his company with Ingram Cactus where he became President Eastern Hemisphere. In 1996 Ben regained the Plexus Ocean Systems Limited name through which POS-GRIP technology was invented and then developed and commercialised wellhead equipment for the oil services market.

Craig Francis Bryce Hendrie M. Eng (Oxon) (aged 51), Chief Executive Officer

After gaining a master's degree in engineering science from the University of Oxford, Craig began his career with ICI plc in 1996 as a machines engineer. Craig Hendrie has been with Plexus for over 25 years, including 19 years as Technical Director. Craig has a strong engineering background and was instrumental in the development, testing and analysis of the original POS-GRIP products. More recently, he has been involved in day-to-day activities as a Director of Plexus Ocean Systems Limited in Aberdeen and became CEO of Plexus Holdings Plc on 1st July 2024.

Michael George Park MA CA (aged 57), Chief Financial Officer

Having qualified as a CA in 1991, Mike spent 13 years principally in the oil and gas industry with Ingram Cactus and Weatherford, where he was Financial Controller for the West Africa and UK divisions. Mike joined Plexus in 2004 as Group Financial Controller and became Finance Director of Plexus Ocean Systems in 2011. Within his time at Plexus, Mike has been involved in the IPO and Admission to AIM process as well as many other initiatives alongside core responsibilities of accounting compliance. Mike was appointed CFO on 1st July 2024.

Anastasio Johan Michael James van Bilderbeek BSc M.Eng (aged 49), Executive Director

Anastasio (Stas) graduated from the University of Texas, Austin with an engineering degree, and subsequently joined British Gas plc as a drilling engineer. He spent two years with British Gas Plc and gained invaluable experience in all aspects of E&P drilling, well design, planning and execution. On leaving British Gas, Stas joined Plexus to learn all about installing Plexus proprietary wellheads around the world. Having gained in depth practical experience in the field, he spent some time in Houston, Texas on product development and testing, before moving to Egypt to head up the sales and marketing team for a number of years, which proved very successful. On his return from Egypt, he has spent his time in Aberdeen and London involved in various commercial and operational aspects of Plexus. Stas was appointed as an Executive Director on 1st July 2024.

Jerome Jeffrey Thrall BBA MBA (aged 75), Non-Executive Director

Jeff joined Thrall Enterprises, Inc. ("TEI"), a family-owned holding company headquartered in Chicago, USA, in 1980 as vice president of corporate development of TEI's subsidiary, Nazdar Company, a manufacturer and distributor of ink jet, screen printing, flexo inks and supplies. Jeff was named President of TEI in 1995. Prior to joining TEI, Jeff's professional career included a number of appointments in investment banking, commercial lending, and administration.

Charles Edward Jones BSc M. Eng (Age 65), Non-Executive Director

Charles has over 30 years of senior management and Board experience in the energy sector. In 2007, Charles was CEO of Houston-based Forum Oilfield Technology, a global oilfield products company which he successfully merged with three other companies in 2010 to create Forum Energy Technologies (NYSE: FET) and where he remained as President until 2013. Prior to Forum, Charles was COO of privately owned Hydril Company LP, where he played a leading role in the US based drilling and downhole products company's IPO in 2000 and subsequent sale for US$2.1 billion. Before joining Hydril, Charles served as Director of Subsea Businesses for Cooper Cameron Corporation where he developed the global subsea production business. Charles is a former Chairman of the Petroleum Equipment Suppliers Association, a Distinguished Alumni of the Cullen College of Engineering at the University of Houston and graduate of the Advanced Management Program at Harvard Business School.

Kunming Liu (Aged 47), Non-Executive Director

Kunming has over 20 years' experience in corporate finance and financial accounting. She currently holds the position of Vice President and Chief Administrator of HITIC Energy, an emerging oil and gas development company based in Canada, which is a subsidiary of Jereh Oilfield Services Group, a multi-billion-dollar Chinese oil services provider. Prior to this, Ms Liu was the Financial Director of Jereh Energy Services Corporation, a wholly owned subsidiary of Jereh. Additionally, Ms Liu holds a major in financial accounting from Shandong Cadres Institute of Economics and Management in China.

Directors' Report

The directors present their annual report together with the audited financial statements for the year ended 30 June 2024.

Directors who served during the year

J. Jeffrey Thrall
Ben van Bilderbeek
Graham Stevens *(resigned 1st July 2024)*
Craig Hendrie
Charles Edward Jones
Kunming Liu

Research and development

The Group actively engages in various on-going research and development initiatives designed to expand and develop the range of commercial applications deriving from its proprietary technology, including an in-house R&D engineering team. For the year, R&D expenditure including capitalised wage and salary costs totalled £0.56m (2023: £0.52m).

Results and dividends

The results for the year show a profit before taxation of £2.80m (2023: loss £4.23m) and are set out on page 38. The directors do not recommend the payment of a final dividend for the year ended 30 June 2024 (2023: nil).

Corporate governance

This is the subject of a separate report set out on page 18. This is an expanded report following the adoption of the Quoted Companies Alliance Corporate Governance Code in line with the AIM Rules of the London Stock Exchange that require all AIM-listed companies to adopt a recognised corporate governance code against which they must comply or explain why there is any divergence in complying with that code.

Related party transactions

Details of related party transactions are set out in Note 27 in the financial statements.

Financial instruments and risk management

The Group maintains a commercial objective of contracting in sterling whenever possible. In circumstances where this is not possible, the Group converts foreign currency balances into sterling on receipt so far as they will not be used for future payments in the foreign currency. The Group maintains risk management policies which are set out in more detail in Note 23 to the accounts.

Streamlined Energy and Carbon Reporting Summary

The Group is below the threshold to report on its Greenhouse gas emissions and energy consumption.

Going concern

The directors, having made appropriate enquiries, believe that the Group will continue in operational existence for the foreseeable future, and it is appropriate to continue to adopt the going concern basis in preparing the financial statements. As disclosed in note 1 (b) the group is reliant on two future matters: firstly, the extension and ultimate conversion of the outstanding Loan Notes; and secondly, a qualifying financing event tied to the conversion of Loan Notes, which was indicated at the time the convertible loan arrangements were entered into in October 2022. As there can be no certainty regarding the timing and quantum of future funding, this therefore indicates a material uncertainty which may cast significant doubt regarding the Group's ability to continue as a going concern.

Directors' interests

The directors who served during the year and to the date of this report are listed below.

The interests of the directors who held office during the year, and to the date of this report, in the shares of the Company at 30 June 2024 were as follows:

	Number of Ordinary Shares of 1p each 2024	Number of Ordinary Shares of 1p each 2023
J. Jeffrey Thrall[1]	44,307,513	44,307,513
Ben van Bilderbeek[2]	58,077,461	58,077,461
Graham Stevens *(resigned 1st July 2024)*	15,100	15,100
Craig Hendrie	12,600	12,600
Michael Park *(appointed 1st July 2024)*	–	–
Anastasio van Bilderbeek[3] *(appointed 1st July 2024)*	173,613	214,201
Charles Edward Jones	–	–
Kunming Liu	–	–

1. J. Jeffrey Thrall has an indirect beneficial interest in a company which controls 34.487% of Mutual Holdings Limited. The number of Ordinary shares held by Mutual Holdings Limited in the Company at 30 June 2024 was 42,700,001 (2023: 42,700,001). Additionally, J. Jeffrey Thrall has both a direct and an indirect beneficial interest in Thrall Enterprises Inc., a company which holds 1,591,512 Ordinary shares in the Company, and he holds 16,000 Ordinary shares personally. Both the Thrall Enterprises Inc and Mr Thrall's personal holdings are held in a nominee account.

2. Ben van Bilderbeek is settlor of a trust which controls 58.267% of the shares of Mutual Holdings Limited and the entire issued share capital of OFM Investments Limited. At 30 June 2024, Mutual Holdings Limited held 42,700,001 shares and OFM Investments Limited held 15,069,767. Additionally, Ben van Bilderbeek holds 307,693 Ordinary shares directly.

3. Anastasio van Bilderbeek both directly and indirectly holds 173,613 shares in the company which represents a 0.165% holding.

Retirement and re-election of Directors

Ben van Bilderbeek will retire by rotation at the Annual General Meeting ("AGM") and, being eligible, will offer himself for re-election.

Additionally, Anastasio van Bilderbeek and Michael Park will retire at the Annual General Meeting having been appointed after the meeting held in 2023 and, being eligible, will offer themselves for re-election.

Substantial shareholdings and interests in Shares

At the date of this Annual Report the Company is aware of the following shareholdings in excess of 3% of the Company's issued ordinary share capital:

Shareholder	Shares Held	% In Issue share capital
Mutual Holdings Limited	42,700,001	40.52%
OFM Investment Limited	15,069,767	14.30%
Hargreaves Lansdown Nominees Limited	14,864,938	14.11%
Interactive Investor Services Nominees Limited	6,840,067	6.49%
Jereh International (Hong Kong) Co. Ltd	4,468,537	4.24%
Paul Scott[1]	3,352,123	3.18%
Vidacos Nominees Limited	3,301,492	3.13%
Lawshare Nominees Limited	3,227,480	3.06%

1. Paul Scott holds shares in a nominee account.

Executive 2005 Share Option Scheme and Non-Executive 2005 Share Option Scheme

Details of the Executive and Non-Executive Schemes in addition to details of the directors' remuneration can be found in the Remuneration Committee Report on page 28.

Plexus is a non-discriminatory employer, which aims to eliminate unfair discrimination, harassment, victimisation, and bullying. The Group is committed to ensuring that all individuals are treated fairly, with respect and are valued irrespective of disability, race, gender, health, social class, sexual preference, marital status, nationality, religion, employment status, age or membership or non-membership of a trade union.

Disclosure of information to auditors

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

Annual General Meeting

The AGM of the Company will be held before the end of the calendar year. The Notice convening the meeting will be published on the Company's website www.plexusplc.com under the Investors tab, in addition to being posted to shareholders.

The Notice will comprise the resolutions that will be proposed at the Annual General Meeting together with accompanying notes on each of these resolutions at the foot of the Notice.

Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor. In accordance with Section 489 of the Act, two resolutions for the re-appointment of Crowe U.K. LLP as auditor of the Company and authorising the directors to determine its remuneration will be proposed at the forthcoming AGM.

Company number

The Company is registered in England and Wales under Company Number 03322928.

By order of the Board

M Park
Chief Financial Officer
21 October 2024

Corporate Governance

Chairman’s Introduction

I have pleasure in introducing Plexus’s Corporate Governance Statement. The Board is committed to maintaining high standards of corporate governance and considers that a strong corporate governance foundation is essential in delivering shareholder value. The Board has governance procedures and policies that are considered appropriate for the nature and size of the Group and its subsidiaries.

In accordance with the London Stock Exchange AIM Rules for Companies (‘AIM Rules’), the Board has chosen to apply the Quoted Companies Alliance’s (‘QCA’) Corporate Governance Code 2018 (the ‘QCA Code’) on the basis that it is the most appropriate governance code for the Group, having regard to its size and structure.

In November 2023 the QCA published a revised QCA Corporate Governance Code 2023 (‘QCA Code 2023’). The QCA Code 2023 will apply to financial years starting on or after 1 April 2024. The Board intends to transition to the QCA Code 2023 and will report on this in the Annual Report for the year ended 30 June 2025.

The QCA Code is constructed around ten broad principles. The QCA has stated what it considers to be appropriate arrangements for small and mid-size companies and asks companies to provide an explanation about how they are meeting the principles through the prescribed disclosures.

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

Since it was established, Plexus has focused on being an innovative, IP-led company built around its proprietary technology. Plexus has developed a range of products and applications based on its patent-protected technology. The Company is focused on commercialising this technology and equipment in a range of sectors.

The Strategic Report within the 2024 Annual Report (page 6) explains the Group’s business model and strategy, including the key risks in execution and how we address those risks.

The Company has continued to invest in R&D and IP development, ensuring it has a range of products and services which can be commercialised.

Our business model is designed to promote long-term profitable growth and cash generation. Our dividend policy remains consistent with returns based on in-year earnings and robust cash reserves.

We believe remaining on AIM is of long-term value to our shareholders as it offers a combination of access to capital markets, the option incentives and rewards to Executive Directors and employees through share option schemes, and a regulatory environment appropriate to the size of the Company.

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

The Group is committed to open and ongoing engagement with all its shareholders on the Group’s performance and strategy. Maintaining positive relationships with shareholders is important to the Board.

The Chair of the Board is responsible for ensuring that appropriate methods of communication are established between the executive directors and shareholders, ensuring shareholders’ views and feedback are shared with the Board.

The Group ensures that any price sensitive information is released to all shareholders, institutional and private, at the same time in accordance with London Stock Exchange requirements. Updates to the market are published via the regulatory news service (“RNS”) on matters of a material substance and/or a regulatory nature. In conjunction with the Group’s brokers and public relations advisers, RNS announcements will be distributed in a timely fashion to ensure shareholders are able to access material information on the Group’s progress. The Group’s website (www.plexusplc.com) has a section for investors, which is kept updated to contain all publicly available financial information and news on the Group.

The Annual General Meeting is an important opportunity for the Board to engage with shareholders, particularly retail investors. The Notice of AGM is sent to shareholders at least 21 days before the meeting. The Chair of the Board, together with all the other directors, whenever possible, attend the AGM and are available to answer shareholder questions. The Group welcomes communication from shareholders through the newly established investor query form on the website.

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

Stakeholders other than shareholders include our employees, customers, suppliers, licencees and advisors. These are all key to our short-term and long-term success. More details are provided in the following sections about these key resources and relationships.

Where necessary the Board is updated on stakeholder engagement feedback should any issues arise, to stay abreast of stakeholder insights into what matters most to them and our business, and to enable the Board to understand and consider such issues in relevant decision-making. Aside from our shareholders, suppliers and customers, our employees are one of our most important stakeholder groups, and the Board monitors relevant employee issues through regular operating company operations reports.

Employees

The ability for the Group to continue to deliver high-quality goods and services to its customer base is heavily reliant on the staff we employ. Plexus is a non-discriminatory employer which aims to eliminate unfair discrimination, harassment, victimisation and bullying. The Group is committed to ensuring that all individuals are treated fairly, with respect and are valued irrespective of disability, race, gender, health, social class, sexual preference, marital status, nationality, religion, employments status, age or membership or non-membership of a trade union.

To this end, the Group understands the importance of hiring and retaining a highly skilled workforce and keeping employee satisfaction high through several initiatives. A few examples of these initiatives are:

- Competitive remuneration package including life insurance and private medical policies.
- Paid annual leave
- Defined contribution pension scheme
- Long-service awards
- Enhanced maternity remuneration
- All employees are entitled to an additional day of annual leave on their birthday

Staff and staff development continues to be important to the Group. To achieve this, the Group operates in-house training and accredited competency programmes which ensure that necessary skill levels are maintained.

Additionally, competency across the business has continued to evolve and broaden. The workshop competency system has been developed under the OPITO standards. The office-based competency system has been developed under the OPITO standard as it is a concise system that supports the requirements of ISO9001:2015, for which Plexus has received and retains APIQR certification.

Importantly Health and Safety is an operational area for employee stakeholders. Plexus remains fully committed to delivering the highest practical safety standards. The Group continues to maintain a positive safety culture which is aligned with our Company Safety Values and are pleased to report our HSE culture remains strong across the business, and this is reflected by our LTCF and TRCF percentages both being zero, with no major findings during our most recent LRQA certification surveillance audits set against the ISO 45001:2018 standard.

Suppliers

The Plexus business model has been built around the conscious decision of not having its own manufacturing facilities, and thereby avoids incurring fixed overheads associated with such activities. Consequently, manufacturing is sub-contracted to carefully selected and assessed manufacturers and machine shops who must operate to prescribed high standards and requirements for delivering Plexus' products' high-quality threshold levels. Such relationships are important and tend to be of a long-term nature, reflecting the professional manner in which business is conducted.

Customers

We continue to seek opportunities for continual improvement regarding our relationships with customers, and our Business Management System complies with the ISO 45001 standard, demonstrating our commitment to attain and sustain the highest standards possible and allow us to respond quickly to client demands.

Quality also remains a key focus in the delivery of our products and services demonstrated by the retention of our API Q1 6A and 17d licenses which were retained post period end following a successful audit.

Advisors

The Board maintains a regular dialogue with the Group's:

- Nominated Advisor and Broker
- Public Relations consultants
- Company Secretary
- Company solicitors
- Financial advisors (e.g. tax specialists)

These dialogues help ensure compliance with legislation, AIM Rules, governance requirements and other rules and regulations.

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

The Board has ultimate responsibility for the Group's system of internal controls and for reviewing its effectiveness. However, any such system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls that are in place, which include various policies and ISO 45001 quality systems, are appropriate for the size, complexity and risk profile of the Group.

A comprehensive budgeting process is completed at least once a year and is reviewed and approved by the Board. The Group's results are compared against budget are reported to the Board and discussed in detail at each meeting of the Board.

The Board has determined that an internal audit function is not required due to the small size of the Company's administrative function and the high level of Director review and authorisation of transactions. The Board will keep this matter under review as the Group develops and grows.

The Audit Committee assists the Board in discharging its duties regarding the interim and full year results, financial statements, accounting policies, and operational and financial controls. The composition, duties and responsibilities of this committee are detailed in the Audit Committee Report within the 2024 Annual Report (on page 26).

A summary of the Group's risk management framework and the principal risks and uncertainties relating to Plexus and its business, along with how those risks are mitigated, is included in the Strategic Report within the 2024 Annual Report (page 6).

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

Following changes to the Board on 1st July 2024 the Board currently comprises the Non-Executive Chairman, Ben van Bilderbeek; three Executive Directors comprising Craig Hendrie (CEO), Mike Park (CFO), Anastasio van Bilderbeek (Executive Director); and three Non-Executive Directors, Jeffrey Thrall, Charles Jones and Kunming Liu; and a Company Secretary (non-director) attends Board meetings.

The Board considers that Charles Jones is independent. Apart from receiving Director's Fees as disclosed in the Remuneration Report within the 2024 Annual Report on page 28 of £nil (2023: £nil), Mr Jones does not receive any performance related remuneration and does not participate in any share option scheme. Mr Jones does not own any shares in the Company; has not had any transactions with the Company or any of its subsidiaries or its directors or senior management which might in any way affect his judgement as to what is right and proper in performing his duties in the period under review; and he does not represent the interests of any other shareholders. The Board considers that, notwithstanding his tenure as a director, Mr Jones has demonstrated his independence of character and judgement over the full period of his association with the Company.

The Board is satisfied with the balance between executive and non-executive directors. The Board considers that its composition is appropriate in view of the size and requirements of the Group's business and the need to maintain a practical balance between executive and non-executive directors. The Group believes that the makeup of the Board represents a suitable balance of independence and detailed knowledge of the business to ensure that it can fulfil its roles and responsibilities as effectively as possible. The executive directors are "hands-on" and directly responsible for running the business operations and the non-executive directors are responsible for bringing independent judgement and scrutiny to decisions taken by the Board. All Directors are encouraged to apply their independent judgement and to challenge all matters, whether strategic or operational.

The Audit Committee comprises two Non-Executive Directors, J. Jeffrey Thrall and Charles Jones and is scheduled to meet twice a year. It is the Audit Committee's role to provide formal and transparent arrangements for considering how to apply financial reporting and internal controls, whilst maintaining an appropriate relationship with the independent auditors of the Group. The Audit Committee reviews the Group's policy on auditor rotation. The current auditors have served for 18 years and there are no current plans to retender.

The Remuneration Committee comprises two Non-Executive Directors, J. Jeffrey Thrall and Charles Jones and meets when required. It is the Remuneration Committee's role to set remuneration packages for individual Directors. Where necessary the Remuneration Committee obtains advice and research material from external remuneration specialists. Immediately prior to the implementation of the Board changes announced on 1st July 2024, the Remuneration Committee passed resolutions in writing in lieu of holding a formal meeting.

Further information on the two committees can be found in the 2024 Annual Report, in the Audit Committee Report (pages 26 to 27) and the Remuneration Committee Report (pages 28 to 30).

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests and if necessary, the relevant Board member will recuse themselves from the matter at hand to avoid any conflicts for the individual or the Company.

All members of the Board are expected to attend all scheduled main Board meetings whenever possible, but for practical purposes, the completion of the interim or full year accounts, or certain corporate transactions, are delegated to a committee of the board to which all directors are entitled to attend by whatever practical means possible. The directors receive timely notice of each meeting along with an agenda and supporting papers which they review in advance of each meeting. Executive Directors and Non-Executive Directors are expected to be available in person or virtually, and to have spent sufficient time studying all papers relevant to the regular meetings. Additionally, they are required to similarly attend meetings whenever required where non-routine course of business activity is required to be discussed. The Board considers that all Directors have an obligation to devote as much time as is required to carry out their duties; and that each Director has fulfilled this obligation for the period under review.

Details of the dates of meetings during the last financial year, and post period end meetings of the Board, Board Committee, and Audit Committee, together with attendees are set out in the tables below.

Details of the Directors along with their experience and skills may be found here: https://www.plexusplc.com/board-of-directors/

2023:	**Board 19.07.2023**	**Board 06.09.2023**	**Board 16.11.2023**	**Audit Committee 16.11.2023**	**Board Committee 28.11.2023**
Jeff Thrall	✓	✓	✓	✓	
Ben van Bilderbeek	✓	✓	✓		
Graham Stevens	✓	✓	✓		✓
Craig Hendrie	✓	✓	✓		✓
Kunming Liu	✓	✓	✓		
Charles Jones	✓	✓	✓	✓	

2024:	Board 14.03.2024	Audit Committee 14.03.2024	Board Committee 15.03.2024	Board Committee 28.06.2024	Board 30.07.2024	Board 05.09.2024
Jeff Thrall	✓	✓			✓	✓
Ben van Bilderbeek	✓				✓	✓
Graham Stevens	✓		✓	✓	n/a	n/a
Craig Hendrie	✓		✓	✓	✓	✓
Mike Park	n/a	n/a	n/a	n/a	✓	✓
Anastasio van Bilderbeek	n/a	n/a	n/a	n/a	✓	✓
Kunming Liu	✓					
Charles Jones	✓	✓			✓	✓

In addition to the meetings specified above, the Directors passed Directors' Resolutions in Writing pursuant to Article 103 of the Company's Articles of Association on the following dates in lieu of meetings being held:

- 28th September 2023
- 29th January 2024
- 28th June 2024
- 28th June 2024

The Remuneration Committee did not meet during the last financial year but did pass resolutions in writing on 28th June 2024.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of finance, governance, commercial experience, public markets, oil and gas industry, and international trade. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of Board and Committee meetings. The business reports regularly on its headline performance against its agreed budget, and the Board reviews updates on performance and any significant variances are reviewed at each Board meeting. Directors' Service contracts are available for inspection at the Company's registered office and at the AGM. Further details of the Directors' experience and skills are set out on page 13 of the 2024 Annual Report.

The Directors are experienced in their own fields, and they ensure they remain up to date in their respective skills (where relevant) by being members of relevant professional organisations, attending seminars and conferences, attending continuing professional development courses to maintain any current accreditation and approaching the Company to arrange training where and if it is considered appropriate. The Board does not undertake specific due diligence on or carry out a formal review of an individual Director's skills and training but is comfortable with such experience being appropriate from regular engagement and dialogue with each Director. No such review is anticipated at the current time.

The non-executive directors hold senior positions with other companies ensuring that their knowledge is continuously refreshed. Specific training will be provided to the Board by the Group when required to support the directors' existing skillsets. The Board has access to external advice, including the Company's solicitors where required. The Board is provided with specific training on the AIM Rules for Companies by its Nominated Adviser on an annual basis. The Company's Nominated Adviser is available to provide guidance and additional training to the Board on specific regulatory matters as required.

All Directors retire by rotation at regular intervals in accordance with the Company's Articles of Association.

All Directors can take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary, whose role is to consider compliance with primarily the Companies Act 2006 along with all other relevant legislation, and the Company's nominated adviser. The Company has not had to engage external advisers to the Board other than its usual professional advisers during the normal course of business.

The Company out-sources the company secretarial duties and responsibilities to a firm of professional company secretaries, ("the Out-Sourced Provider"), which engagement is overseen by the Chief Financial Officer. In addition to the routine company secretarial compliance work, the Out-Sourced Provider fulfils a wide-ranging support role to the CFO on matters pertaining to the Companies Act, regulatory matters, transactional support, and ad hoc assistance generally. Its services are also available to any other board director who may wish to make an approach for independent advice which the Out-Sourced Provider strives to deliver in an impartial manner.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

On an informal basis the Chairman Ben van Bilderbeek and CEO Craig Hendrie monitor the individual contributions of each of the members of the team to ensure that:

- Their contribution is relevant and effective;
- That they are committed;
- Where relevant, they have maintained their independence; and
- The skills of the board members are appropriate for the size and complexity of the Group.

The responsibilities of the Chairman and CEO are summarised below: -

The Chairman's primary responsibility is to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model. The Chairman has sufficient separation from the day-to-day business to be able to make independent decisions. The Chairman is also responsible for making sure that the board agenda concentrates on the key issues, both operational and financial, including reviews of the Company's strategy and its overall implementation.

The CEO is responsible for the delivery of the business model within the timetable agreed by the Board and keeps Chairman and Board up to date with operational performance, risks and other issues to ensure that the business remains aligned with the agreed strategy.

Because of the relative size of the Company, the composition of the Board and the level of experience of each Board member, the Company has not adopted a formal board evaluation process although keeps the topic under review and would assess the effectiveness of the whole Board's performance if it were considered beneficial.

The Board is mindful of the subject of succession planning, and this can be demonstrated by the Board changes announced on 1st July 2024.

The Board is aware of the current shareholding structure and the significance of the founder's shareholding and is always mindful of the need to balance the interests of all shareholders and stakeholders alike.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board places significant importance on the promotion of ethical values and behaviours within the Group and takes ultimate responsibility for ensuring these are promoted and maintained throughout the organisation and that they guide the Group's business objectives and strategy.

The Company ensures that ethical values and behaviours are recognised and respected by the adoption of appropriate policies e.g., Code of conduct, anti-bribery and corruption policy, HR policy etc. Our values are always communicated to new employees via induction sessions, training and our employee handbook. The impact of the Group's people-related processes is monitored through the annual employee appraisal process.

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

The Board has overall responsibility for promoting the success of the Group. The Board has a formal schedule of matters reserved to it, including the approval of annual financial plans and the review of performance against these plans, the Group's strategy and objectives, and the treasury and risk management policies.

Board programme

The Board meets regularly during each year and in accordance with its scheduled meeting calendar as listed below and when necessary, considers a formal agenda of reserved matters for its decision. The meetings held during the year are documented under Principle 5.

Prior to the start of each financial year, a schedule of Key Dates for that year's Board and associated meetings is compiled to align as far as reasonably practicable with the Company's financial calendar, while also ensuring an appropriate spread of meetings across the year. The Key Dates Schedule remains under constant review and is presented for consideration and discussion at each full Board meeting, whether or not it has changed since the last meeting.

The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting, and Board and Committee papers are distributed in the days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or if relevant by a committee, and then followed up by the Company's management.

Roles of the Board, Chairman and Chief Executive Officer.

The Board is responsible for the long-term success of the Company. There is a formal schedule of reserved Board matters, and it is responsible for overall Group strategy; approval of major investments (whether Capex or Opex); approval of the annual and interim results; annual budgets; dividend policy; and Board structure. It also monitors the exposure to key business risks. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for reviewing appropriate strategic focus and direction. The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the Executive Team.

All Directors receive regular information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business regularly reports on its headline performance against its agreed budget, and the Board reviews updates on performance and any significant variances are reviewed at each Board meeting. Senior executives below Board level attend Board meetings where appropriate to present business updates.

Executive Team

The composition of the board is documented under Principle 5. The roles of the Chairman, CEO and Company Secretary are as follows:

Chairman: The Chairman has overall responsibility for corporate governance and promoting high standards throughout the Group. Leading and chairing the Board is another key responsibility by ensuring that the Committees are properly structured, quorate and have the appropriate information and resources with which to perform their functions. The Chairman is instrumental in developing strategy and setting objectives for the Group and overseeing communication between the Group and its shareholders.

CEO: the Chief Executive Officer provides leadership and management to the Group. The CEO drives the development of objectives, strategies and performance standards whilst also overseeing and managing key risks that may be present and also keeps the Board updated on employee and other key stakeholders on relevant matters. Investor relations are another key role to ensure that communications with the Group's existing shareholders and financial institutions are maintained.

Company Secretary: The Company Secretary is responsible for providing a clear and timely information flow to the Board and its Committees and supports the Board on matters of corporate governance and risk. This role is fulfilled by Prism Cosec Limited. The Company Secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with. In addition, they can act as a link between the Company and shareholders on matters of governance and investor relations ensuring that the Board is kept informed of their opinions. The Board is committed to an improvement in its governance approach and aims to enhance and develop compliance with best practice as appropriate for the size of the Company.

Board Committees

The Board is supported by the Audit Committee and where necessary the Remuneration Committee. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable each committee to discharge its duties.

Remuneration Committee: The function of this Committee is to review and recommend compensation strategies to recruit and retain Executive Board members of a sufficient calibre to deliver the Group's plan. The Committee comprises two non-executive directors, Jeffrey Thrall and Charles Jones.

Audit Committee: The function of this Committee is to review the audited financial statements and the report of the Group's appointed auditors, and to oversee the procedures relating to risk reduction. They oversee the effectiveness of resultant corrective and/or preventative measures. The Committee comprises two non-executive directors, Jeffrey Thrall and Charles Jones.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group communicates with shareholders through Regulatory News Service announcements, the Annual Report and Accounts, Interim Accounts, the AGM and one-to-one meetings with certain existing or potential new shareholders.

A range of corporate information (including all Company announcements) is also available to shareholders, investors, and the public on the Company's corporate website, www.plexusplc.com

The Board receives when relevant, updates on the views of shareholders through briefings and reports from the Company's brokers, Cavendish Capital Markets Limited. The Company communicates with institutional investors through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

The Company announces the results of all votes on resolutions proposed at any general meeting of the members of the Company by releasing a RNS to the London Stock Exchange immediately upon the conclusion of the meeting.

Regular and open communication is encouraged between all layers of management to ensure that any issues or concerns can be raised.

Audit Committee Report

Introduction

The Audit Committee is responsible for reviewing and monitoring the effectiveness of the Group's financial reporting and internal control policies, compliance with corporate governance and procedures for the identification, assessment, and reporting of risk. It reviews reports from the executive management team and external auditors relating to the interim and annual accounts and the Group's accounting and internal control systems. The Audit Committee is also responsible for advising on the appointment of and overseeing the relationship with the external auditor.

Members

The members of the Audit Committee are Jeffrey Thrall (Committee Chair) and Charles Jones. The Executive Directors and the external auditors attend the meetings by invitation. The Board considers that the Committee has an appropriate and experienced blend of commercial, financial and industry expertise to enable it to fulfil its duties, and that the Committee Chairman has appropriate recent and relevant financial experience.

Committee Meetings

The Committee met twice during the year to 30 June 2024. One meeting related to the 2022-23 Annual Report and Accounts, and the second meeting was to review and sign off the 2023 Interim Financial Statements. The external auditors attended both meetings.

Role and Responsibilities

The Board has established an Audit Committee and set clear Terms of Reference to monitor the integrity of the Group's financial statements and the effectiveness of the Group's internal financial controls.

The Terms of Reference are reviewed annually and amended where appropriate. During the year the Committee worked with management, the external auditors, and other members of the senior management team in fulfilling these responsibilities. The Committee considers financial reporting and internal controls. It also reviews the scope and results of the external audit and the independence and objectivity of the auditors. It meets at least twice a year and reviews the interim and annual financial statements before they are submitted for approval by the Board upon its recommendation. The Committee considers annually whether the auditors remain independent for the purposes of the audit and whether a separate internal audit function is required. As referenced above, the Committee does not believe it is appropriate to have an internal audit function at this time.

The Committee report deals with the key duties and areas in which it plays an active role and has responsibility. These duties and areas include the following:

i) Financial reporting and related primary areas of judgement;
ii) The external audit process;
iii) Risk management and internal controls;
iv) Whistleblowing procedures;
v) Consider and approve the appointment of the external auditors of the Company, the audit fee and other fees for non-audit related services;
vi) Ensure the independence and objectivity of the external auditors; and
vii) Review the external auditor's audit findings report and management's response.

Annual Report and Accounts

General

The Committee has satisfied itself that the 2023-24 Annual Report and Accounts have been prepared in accordance UK-adopted international accounting standards, are fair, balanced and provide the information necessary for shareholders to assess the Group's performance, business model and strategy. The Committee reviewed the key risk areas as identified in the Audit Plan document including revenue recognition, impairment risk and management override of controls. The Committee understands that the auditors have followed their procedures for reviewing these risks and have undertaken detailed testing as appropriate.

In preparing the financial statements for the period, the main area requiring the exercise of management judgement, or a high degree of estimation was the valuation, and possible impairment, of intangibles. This was discussed with the auditor. The Committee, having reviewed management's assessment of impairment, concluded that the relevant value in use was above the carrying value of the assets and hence no impairment provision was required. Further information on the methodology and assumptions used in the valuation of intangible assets and the assessment of impairment thereof is given in notes 1h and 1i to the consolidated accounts on page 44.

Going Concern

The Committee reviewed the going concern paper prepared by management including detailed monthly financial forecasts, which included the twelve months from the date of signing the financial statements for 2023-24 and included related assumptions, risks and opportunities, sensitivities, areas for mitigation and contingency plans. Based on this review, the Committee has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being the period of twelve months from the date of signing the financial statements for 2023-24. Accordingly, the Committee concluded that it is appropriate to adopt the going concern basis in preparing the annual financial statements. The Committee agreed the Group is reliant on raising additional funding, an event that was indicated at the time the convertible loan arrangements were entered into in October 2022, and there can be no certainty regarding the timing and quantum of future funding and therefore concur with management's assessment that this indicates a material uncertainty which may cast significant doubt regarding the Group's ability to continue as a going concern and this is adequately disclosed in note 1b.

Internal Control Systems

The Committee ensures that it monitors and assesses the internal controls put in place by management, and reviews the findings, if any, of the auditors in this regard.

Risk Management

The Board has established an on-going process for identifying, evaluating and managing the more significant risk areas faced by the Group. One of the Board's control documents is a detailed "Risks assessment & management document" which categorises risks in terms of: Business area (including IT), Compliance, Finance, Cash, Debtors, Fixed Assets, Other debtors/prepayments, Creditors, Legal, and Personnel. These risks are assessed and updated when necessary and can be associated with a variety of internal and external sources including regulatory requirements, disruption to information systems including cyber-crime, control breakdowns and social, ethical, environmental and health and safety issues. Further details on the Principal Risks and Risk Management may be found in the Strategic Report on page 9 of the Annual Report.

Board Conduct and Effectiveness Review

As reported in the Corporate Governance section of the Annual Report, due to the relative size of the Company, the composition of the Board and the level of experience of each Board member, the Company has not adopted a formal whole board evaluation process although keeps the topic under review and would conduct one if it were considered necessary.

The Board has recently addressed the subject of succession planning and will continue to be mindful of this topic in the future. The Board is aware of the current shareholding structure and the importance of the founder's shareholding and is always mindful of the need to balance the interests of all shareholders and stakeholders alike.

Auditor Independence

The Committee satisfied itself on the auditors' independence. The Group's auditors Crowe UK LLP rotate the audit engagement partner every five years to ensure independence.

Whistleblowing

The Committee had no whistleblowing incidents reported directly or indirectly during the year to 30 June 2024.

The Report of the Audit Committee was approved by a Committee of the Board of Directors on 21 October 2024 and signed on its behalf by:

Jerome J Thrall
Chairman of the Audit Committee

Remuneration Committee Report

Introduction

Companies trading on AIM are not required to provide a formal remuneration report. However, in line with current best practice this report provides information to enable a greater level of understanding as to how Directors' remuneration is determined.

The Remuneration Committee of the Board is responsible for considering Directors' remuneration packages. The Committee comprises two Non-Executive Directors J. Jeffrey Thrall and Charles Jones. There was no requirement for the Remuneration Committee to meet formally during the last financial year; although the Committee did pass Resolutions in Writing immediately prior to the implementation of the Board changes announced on 1st July 2024.

Remuneration policy

The Group's policy is to attract, retain and motivate high calibre executives capable of achieving the Group's objectives. Executive Directors receive salaries, annual bonuses (as and when appropriate), medical cover, and pension scheme contributions.

The Committee determines the policy of the overall remuneration package for Executive Directors and other senior executives. Basic salaries and benefits of all employees are normally reviewed every year, and the Group and the Committee as part of this process may seek advice from external remuneration consultants as and when appropriate. In reviewing salaries, consideration is given to personal performance, the Group's overall performance and external comparative information.

Annual performance or transaction related bonuses may be payable to Executive Directors and senior staff, and when appropriate an exercise is undertaken, again in conjunction, where appropriate, with external remuneration consultants to look at market comparisons, benchmarks, relative performance as well as consideration of strategic progress in addition to simply financial ones. Comparator group analysis includes oil and gas exploration companies with broadly similar market capitalisations and numbers of employees, as well as oil and gas service companies where, although the market capitalisation range is wide, it is still relevant as these are the sort of companies with which Plexus may compete for talent.

Service contracts

The Executive Directors have service agreements with the Company dated 22 July 2024 subject to termination ranging between six- and twelve-months' notice being given by either party.

Pensions

The Group offers a contributory group stakeholder pension scheme, into which the Group makes matching contributions up to a pre-agreed level of base salary; the scheme is open to Executive Directors and permanent employees. Directors may alternatively choose to have contributions paid into existing personal pension plans, or to receive salary in lieu.

Non-executive Directors

The Non-Executive Chairman, Ben van Bilderbeek, entered into a Letter of Appointment with the Company dated 28 June 2024 on his transition to a Non-Executive Director role. The other Non-Executive Directors, Jeffrey Thrall, Charles Jones and Kunming Liu, entered into their Letters of Appointment with the Company dated 25 November 2005, 18 September 2014, and 17 December 2015 respectively, and can be terminated by either party with three months' notice.

Directors' remuneration

Details of Directors' remuneration for those Directors who served during the year are set out below:

	Salary & Fees £	Non-Recurring Compensation For Loss of Office £	Benefits £	Pension £	**2024 Total £**	2023 Total £
Executive Directors						
Ben van Bilderbeek	315,586	555,675	10,115	–	**881,376**	330,732
Graham Stevens	166,791	137,151	21,343	–	**325,285**	185,800
Craig Hendrie	138,377	–	1,267	19,857	**159,501**	159,543
Non-executive Directors						
J Jeffrey Thrall	–	–	–	–	–	–
Charles Jones	–	–	–	–	–	–
Kunming Liu	–	–	–	–	–	–
Total	620,754	692,826	32,725	19,857	**1,366,162**	676,075

The highest paid director is the Group CEO with total remuneration for the year of £881k (2023: £331K). This compares to the average of all company employees (salaries and benefits plus pension) of £102k (2023: £76k).

The amounts payable for loss of office relating to the two directors noted above were approved pre-year end and will become payable prior to or on 31 December 2024.

Directors' interest in share options

The options and awards have been granted pursuant to the Executive 2005 Share Option Scheme and Non-Executive 2005 Share Option Scheme to the following Directors:

Executive 2005 Share Option Scheme

Name	No of options at 30/06/23 & 30/06/24	Date of Grant	No of Options Vested at 30/06/24	Expiry Date	Exercise Price
B. van Bilderbeek	194,152	09/12/05	194,152	08/12/25	0.59
B. van Bilderbeek	65,902	20/06/07	65,902	19/07/27	0.385
B. van Bilderbeek	332,110	17/12/09	332,110	13/12/29	0.41
B. van Bilderbeek	169,642	25/03/11	169,642	24/03/31	0.60
G. Stevens	138,407	09/12/05	138,407	08/12/25	0.59
G. Stevens	43,177	20/06/07	43,177	19/07/27	0.385
G. Stevens	217,795	17/12/09	217,795	13/12/29	0.41
G. Stevens	101,042	25/03/11	101,042	24/03/31	0.60
C. Hendrie	254,407	09/12/05	254,407	08/12/25	0.59
C. Hendrie	43,177	20/06/07	43,177	19/07/27	0.385
C. Hendrie	217,79	17/12/09	217,79	13/12/29	0.41
C. Hendrie	105,853	25/03/11	105,853	24/03/31	0.60

No executive share options have been granted, lapsed, forfeited or exercised during the years to 30 June 2024 and 2023. No share options have been exercised since 2015.

Non-executive 2005 Share Option Scheme

Name	No of options at 30/06/23	Lapsed during 23/24	No of options at 30/06/24	Date of Grant	No of Options Vested at 30/06/24	Expiry Date	Exercise Price
J. Thrall	40,169	–	40,169	09/12/05	40,169	08/12/25	0.59

No non-executive share options have been granted, forfeited or exercised during the years to 30 June 2024 and 2023.

No options are expected to lapse at the AGM.

On 9 July 2015 the Board of Plexus approved certain amendments to the rules of the Plexus Holdings plc 2005 Share Option Scheme (the "Plan") such that the Company is permitted to extend the exercise period for options granted under the Plan by a further ten years. Subsequently on 9 July 2015, 8 June 2017, 13 December 2019 and 25 March 2021 the Company entered into deeds of amendment with Ben van Bilderbeek, Graham Stevens, Craig Hendrie, and eleven employees in respect of options granted to them on 9 December 2005, 20 June 2007, 17 December 2009 and 25 March 2011 under the scheme, to extend the exercise period by ten years, subject to all other terms of the scheme rules.

The lowest mid-market price of the Company's shares in the year to 30 June 2024 was 2.60p on the 19th July 2023. The high price in the period to 30 June 2024 was 28.60p on 26th September 2023. The mid-market price on 30 June 2024 was 13.25p.

The 6-year history of the share price on reporting date (30 June) is as follows, 2024: 13.25p, 2023: 2.80p, 2022: 2.80p, 2021: 13.25p, 2020: 14.00p and 2019: 40.50p.

Total staff remuneration costs for the year, as set out in note 5 was £3.96m (2023: £2.93m). This compares to distributions to shareholders of £nil (2023: £nil).

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have a 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.

The directors are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website (www.plexusplc.com). The work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

M Park
Chief Financial Officer
21 October 2024

Independent Auditor's Report to the Shareholders of Plexus Holdings Plc

Opinion

We have audited the financial statements of Plexus Holdings plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 30 June 2024, which comprise:

- the Group statement of comprehensive income for the year ended 30 June 2024;
- the Group and Parent Company statements of financial position as at 30 June 2024;
- the Group and Parent Company statements of changes in equity for the year then ended;
- the Group and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

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 period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards;
- 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.

Material uncertainty related to going concern

We draw attention to note 1(b) in the financial statements, which indicates that the Group and Parent Company's ability to continue as a going concern is dependent on the extension and conversion of the convertible loan notes, and the availability of further fundraising. As stated in note 1(b), these events or conditions, along with the other matters as set forth in note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

- We obtained management's going concern assessment, which covered a period up to 31 December 2025 and tested the mathematical accuracy of the model;
- We assessed assumptions included in the model such as revenues, profitability and overhead costs against supporting documentation and compared against current year results;
- We challenged management on the level of certainty over revenues that were included;
- We reviewed the sensitivity scenario prepared by management, which removed contracts with a lower level of certainty, and reduced the level of expected fundraising. Both the base case and the severe but plausible downside scenarios include a requirement to raise funds in order to remain a going concern.
- We held discussions with management on how they plan to raise the additional funding required by the cash flow forecasts, and the mitigating actions they could take to reduce cash outflows.
- We reviewed the disclosures made in the financial statements relating to going concern and agreed these to be consistent with the assessment and our conclusions

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £175,000 (2023: £200,000), based on 5% of Group profit (2023: loss) before tax, before non-recurring items.

Materiality for the Parent Company financial statements as a whole was set at £100,000 (2023: £80,000) based on a percentage of its profit before tax at the planning stage. This was reviewed at finalisation of the audit and was considered to remain appropriate.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £122,500 (2023: £140,000) for the Group and £70,000 (2023: £56,000) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £8,750 (2023: £10,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.

The Group and its subsidiaries are accounted for from one central operating location, the Group's registered office. There are two significant components in the Group: the Parent Company and Plexus Ocean Systems Limited. These two entities were subject to full scope audits by the group audit team, in addition to the consolidation.

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 which 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.

We set out below, together with the material uncertainty related to going concern above, those matters we considered to be key audit matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
1. Impairment of intangible assets, including goodwill (notes 10 and 11) The Group carries intangible assets and goodwill at a net book value of £9.1 million (2023: £9.5 million). This balance is primarily represented by intellectual property, patent and other development expenditure. Management prepare annual impairment calculations to assess the carrying value of goodwill as set out in the accounting policy in note 1h to the financial statements. The Group’s net asset value exceeded market capitalisation of the Company at the reporting date. Management considered this to be an impairment indicator to the carrying value of the intangible assets and have performed an impairment assessment as set out in the accounting policy in notes 1i to the financial statements. The performance of an impairment review requires management to make a number of judgements and assumptions. As a result, we identified the impairment of intangible assets, including goodwill, as a key audit matter.	• We assessed the design and implementation of internal controls over impairment assessment. • We evaluated management’s assessment (based on value in use) as to whether goodwill or other intangible assets were impaired. An assessment was prepared for each of the two cash generating units, being Conventional and Deepwater IP. • We challenged the key estimates included in management’s value in use models under both the organic growth and licensing scenarios, which included the discount rate and growth rates. We involved our valuations specialists in assessing the discount rate. • We reviewed the sensitivity analysis performed by management on the key assumptions such as the discount rate to assess the impact to the model. • We have applied further sensitivities over the discount rate and growth rate and challenged management on the likelihood of such a scenario occurring, and on what remedial actions would be taken. • We also evaluated whether information existed in relation to the fair value less costs to sell, that would support the recoverable value of the assets.
2. Carrying value of Parent Company investments in subsidiaries and intercompany receivables (parent company note 5) The carrying value of investments in subsidiaries in the Parent Company financial statements at 30 June 2024 was £7.3m (2023: £8.3m). Intercompany receivables are held with a carrying value of £3.4m. The value of these investments are dependent on the successful trading of the subsidiary Plexus Ocean Systems Limited, utilising the IP included as intangible assets in the Group financial statements.	• We identified that the investments balance included an amount for a subsidiary that was liquidated in the year. As a result of our challenge, the relevant amount of £1,036k was removed from investment value and charged to the income statement. • We held discussions with management to determine whether indicators of impairment existed in relation to the remaining investment balance and concurred with their conclusion that an impairment review was required due to the carrying value of the investment exceeding its net assets. • In assessing whether impairment to the investment was required, our work was substantially the same as described above in the impairment consideration of the intangible assets, as the recoverability of the investment value is closely linked to these assets. • The recoverability of the intercompany receivable was assessed by reference to the net asset position of the subsidiary. As this exceeded the amount of the receivable balance, we concurred with management’s assessment that the balance is recoverable.

Key audit matter	How the scope of our audit addressed the key audit matter
3. Revenue recognition (notes 1d and 2) Revenue is recognised in accordance with the accounting policy set out in the financial statements. The principal sources of revenue during the period were from a licensing agreement in which the revenue was recognised on a point in time basis and a significant rental contract with revenue recognised on a percentage of completion basis. We considered revenue recognition to be a key audit matter due to the judgements and estimates management are required to make in relation to revenue from the licensing agreement and the significant rental contract.	• We assessed the design and implementation of controls over the existence and cut-off of revenue. • We performed a review of the licensing agreement and assessed the IFRS 15 revenue recognition criteria against the revenue recognised in the accounting records. The consideration was traced to receipt of cash. • For the significant rental contract, we reviewed management's assessment of the performance obligation; their basis for recognising revenue over time; and how they estimated the extent of completion at the year end. We tested this by performing a detailed review of the contract and obtaining supporting documentation including for post year end developments in the project. The milestone invoices raised in the year were traced to receipt of cash. • A sample of other revenue transactions were verified to supporting invoices, evidence of provision of services or equipment, and traced through to receipt of cash. • We tested a sample of revenue transactions to supporting documentation to assess if they had been recorded in the correct accounting period.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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.

We have nothing to report in respect of the following matters where 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 31, 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 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group, and the procedures in place for ensuring compliance. The most significant regulations identified were compliance with the Companies Act 2006 and UK health and safety legislation. Our work included direct enquiry of the directors, who oversee all legal proceedings, reviewing Board minutes and inspection of health and safety registers.

- We communicated the relevant laws and regulations identified to all members of the engagement team, and remained alert to any indication of non-compliance with laws and regulations, or potential fraud, throughout our audit work.

- As part of our audit planning process we assessed the different areas of the financial statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of management and those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas that involve significant management estimate or judgement. Based on this assessment we designed audit procedures to focus on the key areas of estimation or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.

- We used data analytic techniques to identify any unusual transactions or unexpected relationships, including considering the risk of undisclosed related party transactions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor’s Report to the Shareholders of Plexus Holdings Plc
continued

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

John Charlton (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 21 October 2024

Consolidated Statement of Comprehensive Income
for the year ended 30 June 2024

	Notes	**2024 £'000**	2023 £'000
Revenue	2	**12,723**	1,487
Cost of sales		**(3,541)**	(400)
Gross profit		**9,182**	1,087
Administrative expenses		**(5,579)**	(5,348)
Non-recurring – Compensation for loss of office		**(693)**	–
Operating profit / (loss)	4	**2,910**	(4,261)
Finance income	6	**4**	7
Finance costs	7	**(196)**	(175)
Other income		**2**	69
Non-recurring items			
Gain on sale of associate undertaking		**83**	–
Share in profit of associate		**–**	182
Fair-value adjustment on asset held for sale		**–**	(50)
Profit / (loss) before taxation		**2,803**	(4,228)
Income tax credit	8	**130**	213
Profit / (loss) for year		**2,933**	(4,015)
Other comprehensive income		**–**	–
Total comprehensive profit / (loss) for the year attributable to the owners of the parent		**2,933**	(4,015)
Earning / (loss) per share	9		
Basic		**2.83p**	(4.00p)
Diluted		**2.83p**	(4.00p)

Consolidated Statement of Financial Position
at 30 June 2024

	Notes	2024 £'000	2023 £'000
Assets			
Goodwill	10	**767**	767
Intangible assets	11	**8,312**	8,731
Property, plant and equipment	13	**3,908**	1,404
Right of use asset	25	**334**	638
Total non-current assets		**13,321**	11,540
Asset held for sale	14	–	905
Corporation tax	8	**132**	153
Inventories	15	**1,099**	2,265
Trade and other receivables	16	**2,874**	2,318
Cash and cash equivalents		**2,486**	1,449
Total current assets		**6,591**	7,090
Total assets		**19,912**	18,630
Equity and liabilities			
Called up share capital	18	**1,054**	1,054
Shares held in treasury	19	–	(2,500)
Share based payments reserve		**674**	674
Retained earnings		**13,682**	12,292
Total equity attributable to equity holders of the parent		**15,410**	11,520
Liabilities			
Convertible loans	24	–	1,702
Lease liabilities	25	**88**	428
Total non-current liabilities		**88**	2,130
Trade and other payables	17	**3,217**	4,647
Convertible loans	24	**856**	–
Lease liabilities	25	**341**	333
Total current liabilities		**4,414**	4,980
Total liabilities		**4,502**	7,110
Total equity and liabilities		**19,912**	18,630

These financial statements were approved and authorised for issue by the board of directors on 21 October 2024 and were signed on its behalf by:

M Park
Director

C Hendrie
Director

Company Number: 03322928

Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	Called Up Share Capital £'000	Shares Held in Treasury £'000	Share Based Payments Reserve £'000	Retained Earnings £'000	Total £'000
Balance as at 30 June 2022	**1,054**	**(2,500)**	**674**	**16,307**	**15,535**
Total comprehensive loss for the year	–	–	–	(4,015)	(4,015)
Balance as at 30 June 2023	**1,054**	**(2,500)**	**674**	**12,292**	**11,520**
Total comprehensive income for the year	–	–	–	2,933	2,933
Sale of shares held in treasury	–	957	–	–	957
Loss on shares held in treasury	–	1,543	–	(1,543)	–
Balance as at 30 June 2024	**1,054**	**–**	**674**	**13,682**	**15,410**

Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit/(loss) before taxation		**2,803**	(4,228)
Adjustments for:			
Depreciation and amortisation charges		**1,841**	1,560
Redemption premium on convertible loans		**174**	152
Gain on sale of associate undertaking		**(83)**	–
Share in profit of associate		**–**	(182)
Other income		**(2)**	(69)
Fair value adjustment on asset held for sale		**–**	50
Fair value adjustment on financial assets		**–**	1
Investment income		**(4)**	(7)
Interest expense		**22**	23
Changes in working capital:			
Decrease / (increase) in inventories		**1,166**	(871)
Increase in trade and other receivables		**(556)**	(1,347)
(Decrease) / increase in trade and other payables		**(1,430)**	3,401
Cash generated / (used) in operating activities		**3,931**	(1,517)
Income tax receipts		**151**	80
Net cash generated / (used) in operating activities		**4,082**	(1,437)
Cash flows from investing activities			
Funds divested from financial instruments		**–**	102
Property rental and dilapidations income		**–**	50
Purchase of intangible assets		**(558)**	(516)
Purchase of property, plant and equipment		**(3,064)**	(890)
Net proceeds from sale of associate undertaking		**987**	–
Proceeds of sale of property, plant and equipment		**–**	1,052
Interest and investment income received		**–**	7
Net cash used in investing activities		**(2,635)**	(195)
Cash flows from financing activities			
Repayment of Lombard facility		**–**	(3,958)
Repayment of convertible loans		**(1,020)**	–
Net proceeds from sale of treasury shares		**957**	–
Funds raised from convertible loans			1,550
Repayments of lease liabilities		**(347)**	(347)
Interest paid		**–**	(4)
Net cash (outflow) / inflow from financing activities		**(410)**	(2,759)
Net increase / (decrease) in cash and cash equivalents		**1,037**	(4,391)
Cash and cash equivalents at 1st July		**1,449**	5,840
Cash and cash equivalents at 30th June	24	**2,486**	1,449

Notes to the Consolidated Financial Statements

1. **Summary of material accounting policies**

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

a. Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and interpretations issued by the UK Endorsement Board and are in accordance with the Companies Act 2006.

There are a number of standards, amendments to standards, and interpretations which have been issued by the UKEB that are effective in future accounting. The Directors' have assessed the impact of these standards and do not expect any significant impact to the Group on their adoption.

The Group financial statements are presented in sterling and all values are rounded to the nearest thousand pounds except where otherwise indicated.

The financial information has been prepared under the historical cost convention except where fair value adjustments are required.

b. Going concern

At the year end, the Group had cash and cash equivalents of £2.49m, with no bank borrowings. The Group's financial risks and the management of capital risks are set out in Note 23 to the Financial Statements.

After careful enquiry and review of available financial information, including multi-scenario projections and cash flows for the period to 31 December 2025 (which included a severe, but plausible downside scenario), the Directors consider it appropriate to continue to adopt the going concern basis of accounting in the preparation of the consolidated and company financial statements. However, in each scenario noted above, the group is reliant on two future matters: firstly, the extension and ultimate conversion of the outstanding Loan Notes which mature in October 2024; and secondly, a qualifying financing event tied into conversion of the Loan Notes, which was indicated at the time the convertible loan arrangements were entered into in October 2022. Failure to secure funding would have a material impact on the group. There can be no certainty regarding the timing and quantum of such future funding and therefore this indicates a material uncertainty which may cast significant doubt regarding the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the company were unable to continue as a going concern.

Notwithstanding the above management are confident regarding the ability of the group to secure a future funding event.

c. Basis of consolidation

The Group's financial statements consolidate the financial statements of Plexus Holdings plc and the entities it controls (its subsidiaries) and are drawn up to 30 June each year. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct and indirect ownership of voting rights, currently exercisable or convertible potential voting rights. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising from intra group transactions, have been eliminated in full. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1. **Summary of material accounting policies** (continued)

The financial statements of the Company and its subsidiaries are prepared in sterling (the functional currency), which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Group. Transactions and balances in foreign currencies are converted into sterling in accordance with the principles set forth by IAS 21 ("The Effects of Changes in Foreign Exchange Rates"). Accordingly, transactions and balances have been converted as follows:

- Monetary assets and liabilities – at the rate of exchange applicable at the reporting date; and
- Income and expense items – at exchange rates applicable as of the date of recognition of those items. Exchange gains and losses are recognised in the consolidated statement of comprehensive income.

d. Revenue

Sale of equipment

The Group sells a range of equipment derived from its proprietary technology, spares and ancillary equipment. Revenue from the sale of equipment is recognised when performance obligations are met. This is considered to be on acceptance of the equipment by the customer. Invoicing and subsequent payment follow the transfer of ownership.

Rental income

The Group rents out equipment to customers. Revenue from rental contacts, all of which are short term, is recognised in the statement of comprehensive income on a straight-line basis as the performance obligations are satisfied over time. Rental income is invoiced on a monthly basis.

Revenue under the Major Rental Contract is recognised over the identified performance obligations, which is being satisfied over time. Revenue has been recognised according to percentage of completion of the performance obligation, using an output method, being the agreed milestones under the agreement. To the extent that payments received exceed the revenue recognised at the end of a reporting period on a percentage of completion basis, a contract liability is recognised. The contract liability represents the Group's obligation for works still to be performed.

Service and engineering income

The Group provides Field Service Technicians to its customers, on daily rate basis. Revenue from service contracts is recognised on a performance basis as work is undertaken. Customers are invoiced following receipt of a signed field service ticket. Engineering work can operate on a similar basis or on a pre-agreed price for a specified scope of work and be invoiced on completion.

Royalty and Licensing income

The Group has licensing agreements which are subject to royalty payments. Revenue from one-off licensing transactions is recorded at the point in time at which the Group provides the licensee with the right to use the specified intellectual property. The Group has no further obligations to the licensee after this point.

Royalty income is recognised under the terms and conditions of the underlying licensing agreement, and revenue is recognised when performance obligations as specified in each royalty agreement are satisfied.

Rebillable income

The Group passes on third party costs to customers at cost plus mark-up where applicable. The level of mark-up is specified in the underlying contract with the customer. Revenue is invoiced and recognised, along with the associated expenditure in the period in which it relates.

e. Cost of sales

Cost of sales includes salary and related costs for service personnel, depreciation, refurbishment costs on rental assets and other costs which are directly attributable to revenue generating projects.

1. **Summary of material accounting policies** (continued)

f. Non-recurring items

Non-recurring items are income or expenses that are material by their size or their nature and are not considered to arise in the normal course of business. The Directors consider that these items should be disclosed separately on the face of the Statement of Comprehensive Income to allow a more comparable view of underlying trading performance. In 2024 non-recurring items relate to the compensation for loss of office expenses, that are considered to be one off in nature.

g. Income taxes and deferred taxation

The income tax credit for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax credit is calculated based on the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

As set out in note 20 the Group operates a share option scheme. Where the market price of the shares at the year-end exceeds the option price there is a potential tax deduction. This is treated as a deferred tax asset. The portion of the expected future tax deduction which is less than or equal to the associated cumulative IFRS2 charge is recognised in the income statement. The balance of the credit is recognised directly in equity.

h. Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable assets acquired) arising on business combinations in respect of acquisitions is capitalised. Goodwill is not amortised; it is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment at least annually. Goodwill has been allocated to the Group's two CGUs for impairment purposes.

i. Intangible assets and amortisation

Patents are recorded initially at cost and amortised on a straight-line basis over 20 years which represents the life of the patent. The Group operates a policy of continual patent enhancement in order that technology enhancements and modifications are incorporated within the registered patent, thereby protecting the value of technology advances for a full 20-year period.

Intellectual Property rights are initially recorded at cost and amortised over 20 years on a straight-line basis. The technology defined by the Intellectual Property is believed to be able to generate income streams for the Group for many years; key Intellectual Property is protected by patents; the lowest common denominator in terms of economic life of the intangible assets is the life of the original patents and therefore the life of the Intellectual Property has been matched to the remaining life of the patents protecting it.

Development expenditure is capitalised in respect of development of patentable technology at cost including an allocation of own time when such expenditure is incurred on separately identifiable technology and its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised on a straight-line basis over its useful economic life, which the directors consider to be 20 years.

Computer software is amortised over 2 to 5 years on a straight-line basis.

1. Summary of material accounting policies (continued)

In all cases the amortisation period represents the expected useful life of the asset.

Amortisation is charged to the Administrative Expenses line of the Statement of Comprehensive Income.

Expenditure on research and development, which does not meet the capitalisation criteria, is written off to the Statement of Comprehensive Income in the period in which it is incurred.

The carrying value of intangible assets is reviewed on an on-going basis by the directors, and where appropriate, provision is made for any indication of impairment in value. Where impairment arises, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

The 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 discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Any impairment loss would be recognised immediately in the Statement of Comprehensive Income.

j. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost represents the cost of acquisition or construction, including the direct cost of financing the acquisition or construction until the asset comes into use. Depreciation is provided to write off the cost or valuation of property, plant and equipment less the estimated residual value by equal instalments over their estimated useful economic lives as follows:

Buildings	Over the remaining life of the lease on the land on which the building is constructed
Tenant improvements	Over the remaining life of the lease of the relevant building
Equipment	7% – 50% per annum
Motor vehicles	20% per annum

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful life or residual value are accounted for prospectively.

The carrying value of property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Income in the period the item is derecognised.

IFRS 5 sets out the criteria for designating an asset as held for sale

- Management must be committed to a plan to sell the asset;
- An active program to find a buyer must have been initiated;
- The asset must be actively marketed for sale at a price reasonable to its current fair value;
- The sale is expected to be completed within 1 year from the date of classification;
- Significant changes to the plan are unlikely.

Should the above criteria be met the asset, or group of assets, is reclassified to current assets, at the lower of its carrying amount and its fair value less costs to sell.

k. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1. **Summary of material accounting policies** (continued)

l. Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the statement of financial position date and the gains or losses on translation are included in the Statement of Comprehensive Income. The functional currency of the Group is pounds sterling.

m. Leases

Short-term and low value rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

A lessee will be required to recognise assets and liabilities for all leases with a term of more than 12 months (unless the underlying asset is of low value) and is required to present depreciation of leased assets separately from interest on lease liabilities in the consolidated statement of comprehensive income.

The right of use asset is initially measured at cost and is subsequently measured at cost less accumulated depreciation and impairment and adjusted for any amendment to the lease liability. The lease liability is initially measured at the present value of the lease payments due at inception, and is subsequently adjusted for lease payments and interest, or any amendment to the lease liability.

The Group has taken the exemptions where applicable for low value and short-term leases. A lessor will continue to classify its leases as operating leases or financing leases, and to account for those two types of leases separately.

n. Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs to completion and disposal.

o. Pensions

The Group offers a contributory Group stakeholder pension scheme, into which the Group will make matching contributions up to a pre-agreed level of base salary; the scheme is open to executive directors and permanent employees. Directors may choose to have contributions paid into personal pension plans. Payments to the defined contribution retirement benefit plans are recognised as an expense when the employees have rendered service entitling them to contributions.

p. Classification of financial instruments issued by the Group

In accordance with IAS 32, financial instruments issued by the Group are treated as equity (i.e., forming part of shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

Finance payments associated with financial liabilities are dealt with as part of finance charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

1. Summary of material accounting policies (continued)

q. Share based payments

The Group issues share options to directors and employees, which are measured at fair value at the date of grant. The fair value of the equity settled options determined at the grant date is expensed on a straight-line basis over the vesting period based on an estimate of the number of options that will actually vest. The Group has adopted a Stochastic model to calculate the fair value of options, which enables the Total Shareholder Return (TSR) performance condition attached to the awards to be factored into the fair value calculation.

r. Management of capital

The Group's capital is comprised of share capital and retained earnings. (Notes 18 and 19).

The Group's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders.

The Group sets the amount of capital in proportion to its assessment of the risks that it faces. The Group manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Group may adjust the value of dividends paid or issue new equity.

s. Convertible loans

Convertible loans are initially recognised at their fair value, which includes any directly attributable transaction costs. The loan notes can be settled in cash, with an additional 20% redemption interest on the principal amount or converted into new shares where the principal amount will be settled at a 20% discount to the share price paid by investors in a qualifying financing event. The 20% is representative of a 25% redemption premium that will be accrued over the life of the convertibles.

Should the qualifying event occur causing conversion to shares prior to the maturity date, the carrying amount of the Convertible Loan Note will be derecognised and shares arising on conversion of the notes shall be issued and allotted by the company on the conversion date. The remaining redemption premium will be recognised as a debit to the income statement upon conversion.

t. Significant judgements made by management

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The principal areas in which significant judgements have been made by management are as follows:

(a) In assessing the intangibles assets for impairment, the directors have applied judgement when preparing projections of future revenues expected to be derived from exploiting the Group's intangible assets in future periods as part of their consideration of impairment. The core technology has proven commercial value, despite the recent trading losses made. The projections for future application are subject to a significant degree of judgement.

(b) The rental revenues of the major rental contract have been recognised based on performance obligations completed at the year end, using the output method prescribed by IFRS 15. Management have applied judgement when adopting this method, by splitting the overall performance obligation of the contract in work scopes and an assessment of completion at the reporting date.

(c) Judgement has been applied when assessing the SLB licensing contract. It is viewed as having one performance obligation with the revenue recognised on date of signing.

1. **Summary of material accounting policies** (continued)

u. Key assumptions and sources of estimation

The life of the Group's Intellectual Property is estimated with reference to the lifespan of the patents which help protect the knowledge and the Group's ability to generate income from it. Changes to these estimates can result in significant variations in the carrying value and amounts charged to the consolidated statement of comprehensive income in specific periods.

When measuring goodwill and intangible assets for impairment a range of assumptions are required, and these are detailed in the Goodwill and Intangible Asset notes 1h and 1i and note 11 to the financial statements. When reviewing the Intellectual Property ("IP") for impairment a multi scenario model is employed which includes an organic sales model and a licensing model for the two main strands of IP, Conventional and Deepwater. A number of assumptions and judgements are used in the modelling, including assumed growth rates, cost inflation and salary inflation. A sensitivity analysis is applied to the modelling including flexing the weight average cost of capital and revenue growth rate. In all scenarios the discounted cash flows are in excess of the carrying values of the IP.

As noted above the rental revenues from the major rental contract have been assessed based on percentage complete using the output method prescribed by IFRS 15. The project was assessed to be 85% complete at the financial year end. Management is satisfied with the accuracy of the method employed. A 1% change in the percentage complete would lead to an adjustment of £67k.

Provisions requiring management estimates and judgements: A provision has been made against slow moving inventory based upon historical experience of the viability of the older parts as technological improvements are made. Changes to these estimates can result in significant variations in the carrying value and amounts charged to the consolidated statement of comprehensive income in specific periods.

In forming their assessment of going concern, the Directors prepare budgets and forecasts, which include multi-scenario modelling. The main area of estimation within the modelling is revenue levels. The Directors estimate revenues based on their current expectation from contracted works and other projects considered very likely to proceed. These are sensitised for more severe scenarios, to ensure that the Group has enough cash headroom to ensure the going-concern assumption is appropriate. Refer to going concern disclosure at note 1b.

2. **Revenue**

	2024 £'000	2023 £'000
By geographical area		
UK	**8,591**	963
USA	**4,082**	–
Europe	**–**	524
Rest of World	**50**	–
	12,723	1,487

The revenue information above is based on the location of the customer.

	2024 £'000	2023 £'000
By revenue stream		
Rental	**6,629**	589
Service	**532**	146
Sold equipment	**12**	540
Licensing fees	**4,082**	–
Rebillables	**204**	36
Support services and engineering	**1,264**	176
	12,723	1,487

Substantially all of the revenue in the current and previous periods derives from the sale, licensing, short-term rentals and the provision of services relating to the Group's patent protected equipment.

3. Segment Reporting

The Group derives revenue from the sale of its POS-GRIP technology and associated products, the rental of equipment utilising the POS-GRIP technology and service income principally derived in assisting with the commissioning and on-going service requirements of our equipment. These income streams are all derived from the utilisation of the technology which the Group believes is its only segment.

Per IFRS 8, the operating segment is based on internal reports about components of the group, which are regularly reviewed and used by the board of directors being the Chief Operating Decision Maker ("CODM").

All of the Group's non-current assets are held in the UK.

The following customers each account for more than 10% of the Group's continuing revenue:

	2024	2023
	£'000	£'000
Customer 1	**7,644**	524
Customer 2	**4,082**	444
Customer 3	**–**	235
Customer 4	**–**	156

4. Group operating profit / (loss)

Profit / (loss) on ordinary continuing activities before tax taxation is stated after charging/(crediting).

	2024	2023
	£'000	£'000
Depreciation of tangible assets	**560**	307
Amortisation of intangible assets:		
– Intellectual property rights	**238**	238
– Research and development	**738**	712
– Computer software	**1**	–
– IFRS 16 lease amortisation	**304**	303
Foreign currency exchange loss	**13**	31
Directors' emoluments	**673**	676
Non-recurring compensation for loss of office	**693**	–
Inventories recognised as expense	**6**	108
Auditors' remuneration:		
Fees payable to the Company's auditors for:		
The audit of the Company's annual accounts	**25**	22
The audit of the Company's subsidiary pursuant to legislation	**35**	30
Audit related assurance services	**3**	3
Total audit fees	**63**	55

5. Staff numbers and costs

The average number of persons, including executive directors, excluding non-executive directors during the year was:

	2024 Number	2023 Number
Management	**6**	6
Technical	**24**	24
Administrative	**6**	6
	36	36

The aggregate payroll costs of these persons were as follows:

	2024 £'000	2023 £'000
Wages and salaries	**3,562**	2,559
Social security costs	**274**	253
Pension contributions to defined contribution plans	**124**	118
	3,960	2,930

Key management are considered to be the Board of Directors and details of Directors' remuneration are given in the remuneration report on page 28 and this forms part of the financial statements.

6. Finance Income

	2024 £'000	2023 £'000
Bank interest receivable	**1**	3
Other interest receivable	**3**	3
Investment income	**–**	1
	4	7

7. Finance Costs

	2024 £'000	2023 £'000
Other interest payable	**7**	–
Redemption premium on convertible loans	**174**	152
Interest on right of use assets	**15**	22
Fair value adjustment on financial assets	**–**	1
	196	175

8. Income tax credit

(i) The taxation credit for the year comprises:	**2024**	2023
	£'000	£'000
UK Corporation tax:		
Foreign taxation	**2**	–
Adjustment in respect of prior years	**(132)**	(217)
Total current tax credit	**(130)**	(217)
Deferred tax:		
Origination and reversal of timing differences	**(117)**	4
Adjustment in respect of prior years	**117**	–
Total deferred tax	**–**	4
Total tax credit	**(130)**	(213)

The effective rate of tax is 25.00% (2023: 20.5%)

(ii) Factors affecting the tax charge on continuing activities for the year	**2024**	2023
	£'000	£'000
Profit / (loss) on ordinary activities before tax	**2,803**	(4,228)
Tax on profit / (loss) at standard rate of UK corporation tax of 25.00% (2023: 20.5%)	**701**	(867)
Effects of:		
Fixed asset differences	**1**	18
Income not taxable	**(111)**	–
Expenses not deductible for tax purposes	**2**	133
Effect of change in tax rate	**–**	(171)
Other differences	**(1)**	–
Adjustments in respect of prior year	**(132)**	(217)
Adjustments in respect of prior year – deferred tax	**117**	–
Foreign tax	**2**	–
Deferred tax not recognised	**–**	891
Utilisation of brought forward losses	**(709)**	–
Total tax credit	**(130)**	(213)

8. Income tax credit (continued)

(iii) Movement in deferred tax asset balance	**2024**	2023
	£'000	£'000
Deferred tax asset at beginning of year	**–**	–
Debit to Statement of Comprehensive Income	**–**	–
Deferred asset at end of year	**–**	–

(iv) Deferred tax asset balance	**2024**	2023
	£'000	£'000
The deferred tax asset balance is made up of the following items:		
Difference between depreciation and capital allowances	**2,333**	2,055
Tax losses	**(2,333)**	(2,055)
Deferred tax asset at end of year	**–**	–

As outlined in the accounting policy (note 1g) deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available. The deferred tax asset relates to losses to the value of the deferred tax losses and is reviewed at the end of each reporting period. The Group has previously recognised a deferred tax asset based upon its mid-term forecast profitability. On the basis losses have not been fully utilised in the current financial year management consider that the probable threshold is not met and have released the asset to the extent there are not sufficient taxable temporary differences. Once this threshold can be demonstrated an asset will be recognised. At 30 June 2024 the Group has tax losses available of £21.4m (2023: £24.5m).

9. Profit / (loss) per share

	2024	2023
	£'000	£'000
Profit / (loss) attributable to shareholders	**2,933**	(4,015)
	Number	Number
Weighted average number of shares in issue	**103,576,297**	100,435,744
Dilution effects of share schemes	**–**	–
Diluted weighted average number of shares in issue	**103,576,297**	100,435,744
Loss per share		
Basic Earning / (loss) per share	**2.83p**	(4.00p)
Diluted Earning / (loss) per share	**2.83p**	(4.00p)

Basic loss per share is calculated on the results attributable to ordinary shares divided by the weighted average number of shares in issue during the year.

Diluted earnings per share calculations include additional shares to reflect the dilutive effect of share option schemes. As the exercise prices are all higher than the average share price during the year the option schemes are considered to be anti-dilutive.

10. Goodwill

	£'000
Cost	
As at 30 June 2022, 2023, and 2024	767
Impairment	
As at 1 July 2022, 2023, and 2024	–
Net Book Value	
As at 30 June 2023 and 2024	**767**

The recoverable amount of goodwill has been determined on a value in use basis and is considered when reviewing the Group's intangible asset for impairment outlined in note 11. These assumptions were determined from the directors' knowledge and experience.

The Group has two cash generating units split by the category of IP: Deepwater and Conventional. Goodwill has been allocated between the CGUs on a systematic basis according to the carrying value of the IP at the time of its acquisition.

11. Intangible Assets

	Intellectual Property £'000	Patent and Other Development £'000	Computer Software £'000	Total £'000
Cost				
As at 30 June 2022	4,600	14,137	244	18,981
Additions	–	516	–	516
As at 30 June 2023	4,600	14,653	244	19,497
Additions	–	558	–	558
As at 30 June 2024	**4,600**	**15,211**	**244**	**20,055**
Amortisation				
As at 30 June 2022	3,788	5,785	243	9,816
Charge for the year	238	712	–	950
As at 30 June 2023	4,026	6,497	243	10,766
Charge for the year	238	738	1	977
As at 30 June 2024	**4,264**	**7,235**	**244**	**11,743**
Net Book Value				
As at 30 June 2024	**336**	**7,976**	**–**	**8,312**
As at 30 June 2023	574	8,156	1	8,731

11. Intangible Assets (continued)

When assessing the carrying value of the Group's assets the key assumptions on which the valuation is based are that:

- Industry acceptance will result in continued growth of the business above long-term industry growth rates. Management considers this to be appropriate for a new technology gaining industry acceptance;
- Prices will rise with inflation;
- Costs, in particular direct costs, and staff costs are based on past experiences, and management's knowledge of the industry.

These assumptions were determined from the directors' knowledge and experience.

The value in use calculation is based on cash flow forecasts derived from the most recent financial model information available. Although the Group's technology is proven and has proven commercial value the exploitation of opportunities beyond the rental wellhead exploration equipment services market are at a relatively early stage and the commercialisation process is expected to be a long term one. The cash flow forecasts therefore extend to 2044 to ensure the full benefit of all current projects is realised. The rationale for using a timescale up to 2044 with growth projections which increase in the first five years and decline thereafter, is that as time progresses, Plexus expects to gain an increasing foothold in the surface, subsea and other equipment markets, including the recent re-entry into the Jack-up exploration rental wellhead sector. This has been evidenced with an increase in enquiries following the work undertaken in the year on the major rental contract. As the Group is starting from a base point of trading the growth rates are expected to be high in the initial years then in later years where the technology becomes established the expected rate of growth declines.

The key assumptions used in these calculations include the discount rate (10.87%), revenue projections, growth rates, expected gross margins and the lifespan of the Group's technology.

Management estimates the discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the Group and the markets in which it operates. Revenue projections, growth rates, margins and technology lifespans are all estimated based on the latest business models and the most recent discussions with customers, suppliers and other business partners.

Management regularly assesses the sensitivity of the key assumptions, including a sensitivity analysis on the discount rate flexing it by 5% both positively and negatively. It would require significant adjustments to key assumptions before the goodwill and other intangibles would be impaired.

Patent and other development costs are internally generated Note 1i provides additional information on intangible assets.

The impairment review has been conducted on two CGUs, split by the category of IP: Deepwater and Conventional.

12. Investments

Included within the consolidated Group accounts are the following subsidiaries undertakings:

Subsidiary/Associated undertaking	Registered office address	Nature of Business	Percentage of Ordinary Shares held
Plexus Ocean Systems Limited	Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA	Supply of wellheads and associated equipment for oil and gas drilling	100%
Plexus Limited	Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA	Dormant	100%
Plexus Applied Technologies Limited	Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH	Dormant	100%
Plexus Response Services Limited	Caribbean Place, No.1, 1254 Leeward Hwy, TKCA 1ZZ, Turks and Caicos Islands	Dormant	100%
Plexus Subsea International Limited	Caribbean Place, No.1, 1254 Leeward Hwy, TKCA 1ZZ, Turks and Caicos Islands	Commercial exploitation of subsea applications	100%
Plexus Ocean Systems (Malaysia) Sdn Bhd	43-2 Plaza Damansara, Jalan Medan, Setia 1, Bukit Damansara, 50490, KL, Malaysia	Supply of wellheads and associated equipment for oil and gas drilling	100%
Plexus Ocean Systems (Brunei) Sdn Bhd	Simpang 21, Unit 30, Block D, Ground Floor, Gadong Central, Menglait, Jalan Gadong, BE4119, Brunei Darussalam	Supply of wellheads and associated equipment for oil and gas drilling	100%
Plexus Offshore Systems (Singapore) Pte Ltd	111 North Bridge Road #23-05, Peninsula Plaza, Singapore (179098)	Supply of wellheads and associated equipment for oil and gas drilling	100%
Afrotel Corporation Ltd	Caribbean Place, No.1, 1254 Leeward Hwy, TKCA 1ZZ, Turks and Caicos Islands	Dormant	100%
Plexus Pressure Control Limited	Johnstone House, 52-54 Rose Street, Aberdeen, AB10 1HA	Dormant	100%

The Group's investments are unlisted.

13. Property plant and equipment

	Buildings £'000	Tenant Improvements £'000	Equipment £'000	Assets under construction £'000	Motor vehicles £'000	Total £'000
Cost						
As at 30 June 2022	**685**	**844**	**5,360**	**–**	**17**	**6,906**
Additions	–	15	123	752	–	890
Transfers	–	–	367	(367)	–	–
As at 30 June 2023	**685**	**859**	**5,850**	**385**	**17**	**7,796**
Additions	–	–	183	2,881	–	3,064
Transfers	–	–	2,862	(2,862)	–	–
As at 30 June 2024	**685**	**859**	**8,895**	**404**	**17**	**10,860**
Depreciation						
As at 30 June 2022	**685**	**606**	**4,779**	**–**	**15**	**6,085**
Charge for the year	–	74	231	–	2	307
As at 30 June 2023	**685**	**680**	**5,010**	**–**	**17**	**6,392**
Charge for the year	–	76	484	–	–	560
As at 30 June 2024	**685**	**756**	**5,494**	**–**	**17**	**6,952**
Net book value						
As at 30 June 2024	**–**	**103**	**3,401**	**404**	**–**	**3,908**
As at 30 June 2023	–	179	840	385	–	1,404

During the year additions to Assets under construction included £1,160k previously recognised in inventory.

The value in use of property, plant and equipment is not materially different from the carrying value.

14. Asset held for sale

	£'000
Asset held for sale as at 30 June 2023	905
Disposal in the year	(905)
Fair value at 30 June 2024	–

The asset held for sale in the prior year relates to Plexus' 49% investment in Kincardine Manufacturing Services Limited ("KMS"). The investment was subsequently sold for a total consideration of £1m. The sale gave rise to a gain on sale of £83k which is included in the statement of comprehensive income. The sale was to a related party as documented in note 27.

15. Inventories

	2024 £'000	2023 £'000
Raw materials and consumables	**481**	505
Finished goods and goods for resale	**618**	1,760
	1,099	2,265

16. Trade and other receivables

	2024 £'000	2023 £'000
Trade receivables	**2,469**	358
Prepayments and other amounts	**405**	1,960
	2,874	2,318

Trade and other receivables are classified as loans and receivables and are held at amortised cost. The carrying value approximates fair value.

17. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	**1,504**	644
Social security and other taxes	**88**	81
Other payables and accruals	**1,336**	284
Contract liabilities	**289**	3,638
	3,217	4,647

Included in the 2023 contract liability balance is £3,565k which relates to deferred rental income on the specialised project. During the year, a further £2,455k has been invoiced. The rental revenue has been released to the statement of comprehensive income based on percentage complete. At the year end the project has been assessed as being 85% complete, with rental revenue of £5,756k recognised. The remainder of the opening balance of the contract liabilities (£73k), related to a short-term rental project. The revenues have been recognised in the first quarter of the financial year.

18. Share Capital

	2024	2023
	£'000	£'000
Authorised:		
Equity: 110,000,000 (2023: 110,000,000) Ordinary shares of 1p each	**1,100**	1,100
Allotted, called up and fully paid:		
Equity: 105,386,239 (2023: 105,386,239) Ordinary shares of 1p each	**1,054**	1,054

19. Shares held in treasury

	2024	2023
	£'000	£'000
Buyback of shares	**–**	2,500

During the year, the company sold all shares held in treasury raising net funds of £957k. Following the sale of the Treasury Shares, the Company has a total of 105,386,239 Ordinary Shares in issue, and there are no remaining shares held in treasury. The figure of 105,386,239 may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

The loss on sale of shares of £1,543k has been transferred to retained earnings.

20. Share based payments

Share options have been granted to subscribe for ordinary shares, which are exercisable between 2023 and 2031 at prices ranging from £0.385 to £1.18. At 30 June 2024 there were 2,989,276 options outstanding.

The Company has an unapproved share option scheme for the directors and employees of the Group. Options are exercisable at the quoted mid-market price of the Company's shares on the date of grant. The options may vest in three equal portions, at the end of each of three assessment periods, provided that the option holder is still employed by the Group at vesting date and that the Total Shareholder Return (TSR) performance conditions are satisfied. Options that do not meet the TSR criteria at the first available vesting date may vest at the end of the complete assessment period, provided that the compounded TSR performance is met over the complete assessment period. Vested but unexercised options ordinarily expire on the tenth anniversary of the date of grant. The options are equity settled.

Details of the share options outstanding during the year are as follows:

	2024		2023	
	No of shares	**Weighted Average Exercise Price**	No of shares	Weighted Average Exercise Price
Outstanding at the beginning of the period	**3,577,899**	**0.52**	3,577,899	0.52
Surrendered in year	**(97,466)**		–	
Expired in year	**(491,157)**		–	
Outstanding at the end of the period	**2,989,276**	**0.52**	3,577,899	0.52
Exercisable at the end of the period	**2,989,276**	**0.52**	3,577,899	0.52

The Group has recognised an expense in the current year of £nil (2023: £nil) towards equity settled share-based payments. The weighted average contractual life of the share options outstanding at the end of the period is 3 years 7 months.

21. Reconciliation of net cash flow to movement in net cash/debt

	2024	2023
	£'000	£'000
Movement in cash and cash equivalents	**1,037**	(4,391)
Repayment of Lombard facility	**–**	3,958
Increase /(decrease) in net cash in year	**1,037**	(433)
Net cash at start of year	**1,449**	1,882
Net cash at end of year	**2,486**	1,449

22. Analysis of net debt

2024:	**At beginning of year £'000**	**Cashflow £'000**	**Non-cash movements £'000**	**At end of year £'000**
Cash and cash equivalents	**1,449**	**1,037**	**–**	**2,486**
Lease Liability	**(761)**	**347**	**(15)**	**(429)**
Convertible loan notes	**(1,702)**	**(1,020)**	**(174)**	**(856)**
Total	**(1,014)**	**2,404**	**(189)**	**1,201**

A maturity analysis of the Lease Liability is included in note 25.

2023:	**At beginning of year £'000**	**Cashflow £'000**	**Non-cash movements £'000**	**At end of year £'000**
Cash and cash equivalents	5,840	(4,391)	–	1,449
Bank Lombard facility	(3,958)	3,958	–	–
Lease Liability	(1,085)	347	(23)	(761)
Convertible loan notes	–	(1,550)	(152)	(1,702)
Total	797	(1,632)	(175)	(1,014)

23. Financial Instruments and risk management

Treasury management

The Group's activities give rise to a number of different financial risks: market risk (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. The Group's management regularly monitors the risks and potential exposures to which the Group is exposed and seeks to take action, where appropriate, to minimise any potential adverse impact on the Group's performance.

Risk management is carried out by Management in line with the Group's Treasury policies. The Group's Treasury policies cover specific areas, such as foreign exchange risk, interest rate risk and investment of excess cash. The Group's policy does not permit entering into speculative trading of financial instruments and this policy has been applied throughout the year.

(a) Market risks

(i) Foreign currency exchange risk

The Group is exposed to foreign exchange risk arising from various currencies. In order to protect the Group's statement of financial position from movements in exchange rates, the Group converts foreign currency balances into sterling on receipt so far as they will not be used for future payments in the foreign currency.

The Group carefully monitors the economic and political situation in the countries in which it operates to ensure appropriate action is taken to minimise any foreign currency exposure.

The Group's main foreign exchange risk relates to movements in the sterling/US dollar and sterling/euro exchange rates. Movements in these rates impact the translation of US dollar and euro denominated net assets. Outstanding debts are in GBP and USD, minimal cash is held in foreign currency. Therefore, the Group has minimal foreign exchange risk for the reporting period.

(ii) Interest rate risk

The Group has historically financed its operations through a mixture of retained profits and bank borrowings. The Group borrows in sterling at floating rates of interest.

The Group is also exposed to interest rate risk on cash held on deposit. The Group's policy is to maximise the return on cash deposits whilst ensuring that cash is deposited with a financial institution with a credit rating of 'AA' or better. The convertible loans are not exposed to interest rate movement as they include a specified redemption premium.

(b) Credit risk

The Group's credit risk primarily relates to its trade receivables. Responsibility for managing credit risks lies with the Company's management.

The Group applies the IFRS 9 simplified approach to measure expected credit losses for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the number of days past due. The expected loss rates are based on payment profiles of sales and the corresponding historical credit losses experienced within this period. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

A customer evaluation is typically obtained from an appropriate credit rating agency. Where required, appropriate trade finance instruments such as letters of credit, bonds, guarantees and credit insurance will be used to manage credit risk.

The Group's major customers are typically large companies which have strong credit ratings assigned by international credit rating agencies. Where a customer does not have sufficiently strong credit ratings, alternative forms of security such as the trade finance instruments referred to above may be obtained. The Group's customer base is concentrated on a few major companies.

23. Financial Instruments and risk management (continued)

Management review trade receivables across the Group based on receivable days' calculations to assess performance. There is significant management focus on receivables that are overdue. All receivables are with large corporations with good credit history with which the entity has not experienced any recoverability issues in the past. Individual trade receivables and contract assets are written off when management deem them not to be collectible. A bad debt provision of £437k has been in place since 2022 in relation to LLC Gusar, which cannot currently be settled while current economic sanctions remain in place.

Amounts deposited with banks and other financial institutions also give rise to credit risk. This risk is managed by limiting the aggregate amount of exposure to any such institution by reference to their rating and by regular review of these ratings. The possibility of material loss in this way is considered unlikely.

The currency composition of trade receivables at the year-end was:

	2024	2023
	£'000	£'000
Sterling	**2,469**	358
	2,469	358

The ageing of trade receivables at the year-end was:

	2024	2023
	£'000	£'000
Not past due	**2,469**	299
Past due 0-30 days		59
Past due 30+ days	**–**	–
Past due 120+ days	**437**	437
Bad debt provision	**(437)**	(437)
	2,469	358

23. Financial Instruments and risk management (continued)

(c) Liquidity risk

The Group has historically financed its operations through equity financing and bank borrowings. The Group has continued with its policy of ensuring that there are sufficient funds available to meet the expected funding requirements of the Group's operations and investment opportunities. The Group monitors its liquidity position through cash flow forecasting. The Group has convertible loan notes in place which are a financial liability, these are analysed in note 24. Based on the current outlook the Group has sufficient funding in place to meet its future obligations.

		Floating Rates £'000	Non-interest bearing £'000	Book and fair value £'000
30 June 2024				
Cash and liquid resources	– Sterling	2,238	70	2,308
	– US Dollar	–	174	174
	– Malaysian Ringgit	–	4	4
		2,238	**248**	**2,486**
30 June 2023				
Cash and liquid resources	– Sterling	1,384	61	1,445
	– US Dollar	–	–	–
	– Malaysian Ringgit	–	4	4
		1,384	65	1,449

At 30 June 2024, the Group had £2,486k of cash.

Cash is categorised as loans and receivables.

The Group has classified its financial instruments into the three levels prescribed under the accounting standards. The only level relevant to the group is noted below.

Note 24 summarises the movements in the Convertible Loan Notes which were issued in the prior financial year.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

24. Convertible loans

	2024 £'000
Convertible loans issued	1,550
Redemption premium	152
Amortised cost at 30 June 2023	1,702
Redemption premium to 31 January 2024	113
Repayment of Convertible loans	(1,020)
Redemption premium as a result of cash repayment	25
Amortised cost at 31 January 2024	820
Redemption premium	36
Amortised cost at 30 June 2024	856

In October 2022 Plexus raised £1,550,000 through the issue of 1,550,000 convertible loan notes. The loan notes are non-interest bearing and have a maturity date being 24 months after issue.

The loan notes can be settled in cash, with an additional 20% redemption interest on the principal amount or converted into new shares where the principal amount will be settled at a 20% discount to the share price paid by investors in a qualifying financing event. The 20% discount noted above equates to a 25% premium on the principal amount. Therefore, a redemption premium of £387,500 will be recognised over the two-year term.

On 31 January 2024 it was announced that the company would make a cash payment to redeem £849,992 loan notes, plus redemption premium of £169,998- a total payment of £1,019,990, leaving £700,008 loan notes outstanding.

25. Leased Assets and Liabilities

Leased Assets

The Group's leased assets relate to a building. Key movements relating to the lease balance are presented below:

	£'000
As at 30 June 2022	941
Amortisation charge	(303)
As at 30 June 2023	638
Amortisation charge	(304)
As at 30 June 2024	**334**

25. Leased Assets and Liabilities (continued)

Leased Liabilities

The maturity of the lease liability is as follows

	2024 £'000	2023 £'000
Less than one year	**341**	333
One to five years	**88**	428
Total lease liability	**429**	761

The total interest expense on lease liabilities and the total cash outflow in the year to 30 June 2024 was £15k and £347k respectively (2023: £23k and £347k).

The borrowing rate applied to the lease liability is 2.5%.

Other leases

The Group leases storage facilities, IT equipment and other workshop machinery with terms between 1 month and 2 years. The Group considers these assets to be of low value or short-term in nature. Therefore, no right of use assets and lease liabilities are recognised on these leases.

Expenses recognised relating to short-term leases and leases of low value for the year to June 2024 was £50k and £13k respectively (2023: £52k and £13k).

The Group had a capital commitment of £nil as at 30 June 2024 (2023: £nil).

26. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2024 (2023: £nil).

27. Related Party Transactions

Control

No one party owns a controlling interest in the Company.

Ultimate parent company

There is no ultimate parent company.

During the year, the Group had the following transactions with related parties:

	2024 £'000	2023 £'000
Purchase of goods and services from Other Related Parties	**347**	347
Receivables due from Other Related Parties	**6**	19
Payable due to Other Related Parties	**65**	–
Purchases from associate undertaking	**25**	50

Other related parties were @SIPP (Pension Trustees) Limited, OFM Holdings Limited, Burnside House Limited, and Plexus Property International Limited. The transactions related to accommodation, rent, and related charges. @SIPP (Pension Trustees) Limited are the trustees of Ben van Bilderbeek's pension fund. OFM Holdings Limited is a trust of which Ben van Bilderbeek's family are beneficiaries. Plexus Property International Limited is a company under the control of the van Bilderbeek family.

All of these transactions were between either Plexus Ocean Systems Limited, Plexus Ocean Systems International Limited or Burnside House Limited and the relevant related party.

27. Related Party Transactions (continued)

In October 2022, the Group raised £1,550k from the issue of convertible loan notes to OFM Investment Limited (an entity connected to the van Bilderbeek family), Ben van Bilderbeek and Jeff Thrall in the following proportions: OFM Investment Limited £1,000k, Ben van Bilderbeek £500k, and Jeff Thrall £50k. The Loan Notes are non-interest bearing, and their 'long stop' maturity date is the second-year anniversary of the date of the Instrument. On 31 January 2024 Plexus agreed to redeem loan notes with an aggregate value of £849,992, through a cash payment of the principal amount plus interest of an amount equal to 20% of the principal amount, in accordance with the terms of the Loan Notes, which resulted in a total cash payment to Noteholders of £1,019,990.40. After the redemption of these Loan Notes, there are a total of 700,008 Loan Notes outstanding.

In September 2023 Plexus entered into loan agreements with a total value of £700,000, comprising a £200,000 loan with the Company's then CEO and now non-Executive Chair, Ben van Bilderbeek, and a £500,000 loan with Plexus Property International Limited ("PPI"), a company owned and controlled by OFM Limited a company in turn controlled by the van Bilderbeek family and related trusts. The Loans could accrue interest at a rate of 8% per annum and the balance, plus any interest accrued, was to be repayable after 12 months.

Alongside the loan agreements, the Company also entered into Primary and Secondary call option agreements ("Option Agreements") with Ben van Bilderbeek and PPI (the "Lenders"). These Option Agreements provided the Lenders with the right to exercise an option to have their portion of the Loans repaid in shares owned by Plexus Ocean Systems Limited ("POSL") in Kincardine Manufacturing Services Limited ("KMS"), a precision engineering company in which Plexus held a 49% interest since December 2018. Subsequently Plexus commissioned an independent valuation of its stake in KMS, following which the independent directors concluded that an increased valuation of £1m should be applied to POSL's KMS shares for the purposes of the Option Agreements.

The Lenders elected to exercise the Primary and Secondary options and were issued with the 49% of shares held by Plexus in KMS in return for a further cash payment of £300,000 to Plexus; this was in addition to the original £700,000 loan funds associated with the Primary option. On 18 December 2023 the sale of KMS completed resulting in a gain on sale of £83k and the extinguishing of the loan balances due from September 2023.

28. Subsequent Event

On 1st July 2024 the Group announced succession changes to the Board. Ben van Bilderbeek has retired as CEO of Plexus and moved to the position of Non-executive Chair. He replaces Jeff Thrall who will remain on the Board as a Non-executive Director. Craig Hendrie has been appointed as CEO of the Company. Additionally, Graham Stevens has retired as Finance Director and stepped down from the Board. He is replaced on the Board by Mike Park who has been appointed as Chief Financial Officer. In a further addition to the Board, Anastasio van Bilderbeek has been appointed as an Executive Director and will be responsible for engagement with existing and prospective shareholders as well as assisting with, and implementing, company strategy and business development.

As part of this succession plan, and to ensure a seamless transition process, both Ben van Bilderbeek and Graham Stevens will stay on as full-time employees of the Group for six months to assist the new board as required.

29. General information

These financial statements are for Plexus Holdings plc and subsidiary undertakings. The Company is registered, and domiciled, in England and Wales and incorporated under the Companies Act 2006. The nature of the Company’s operations and its principal activities are set out in the strategic report on page 6 and the directors’ report on page 15.

Parent Company Statement of Financial Position

at 30 June 2024

	Notes	2024 £'000	2023 £'000
Assets			
Intangible assets	4	**8,229**	8,588
Receivables due from subsidiary undertakings	7	**3,408**	–
Investments	5	**7,258**	8,294
Total non-current assets		**18,895**	16,882
Trade and other receivables	7	**22**	41
Corporation tax		**132**	153
Cash at bank and in hand	10	**60**	494
Total current assets		**214**	688
Total Assets		**19,109**	17,570
Equity and Liabilities			
Called up share capital	9	**1,054**	1,054
Shares held in treasury		**–**	(2,500)
Share based payments reserve		**326**	326
Retained earnings		**15,701**	16,626
Total equity attributable to equity holders of the company		**17,081**	15,506
Liabilities			
Deferred tax liabilities	6	**877**	167
Convertible loans		**–**	1,702
Total non-current liabilities		**877**	1,869
Trade and other payables	8	**295**	195
Convertible loans		**856**	–
Total current liabilities		**1,151**	195
Total liabilities		**2,028**	2,064
Total Equity and Liabilities		**19,109**	17,570

As permitted by section 408 of the Companies Act 2006, the parent company's Statement of Comprehensive Income has not been included in these financial statements. The parent company's profit after tax for the year was £618k (2023: loss of £8,757k).

These financial statements were approved and authorised for issue by the board of directors on 21 October 2024 and were signed on its behalf by:

M Park
Director

C Hendrie
Director

Company Number: 03322928

Parent Company Statement of Changes in Equity

for the year ended 30 June 2024

	Called Up Share Capital £'000	Shares Held in Treasury £'000	Share Based Payments Reserve £'000	Retained Earnings £'000	Total £'000
Balance as at 30 June 2022	**1,054**	**(2,500)**	**326**	**25,383**	**24,263**
Total comprehensive income for the period	–	–	–	(8,757)	(8,757)
Balance as at 30 June 2023	**1,054**	**(2,500)**	**326**	**16,626**	**15,506**
Total comprehensive income for the period	–	–	–	618	618
Sale of shares held in treasury	–	957	–	–	957
Loss on shares held in treasury	–	1,543	–	(1,543)	–
Balance as at 30 June 2024	**1,054**	**–**	**326**	**15,701**	**17,081**

Parent Company Statement of Cash Flows

For the year ended 30 June 2024

	Notes	**2024**	2023
		£'000	£'000
Cash flows from operating activities			
Profit / (loss) before taxation		**1,196**	(9,162)
Adjustments for:			
Amortisation		**917**	890
Redemption premium on convertible loans		**174**	152
Disposal of subsidiary undertaking		**1,036**	–
Other income		**–**	(19)
Intercompany loan forgiveness / impairment		**–**	7,483
Investment income		**(1)**	(3)
Changes in working capital:			
Decrease in trade and other receivables		**19**	12
Increase in trade and other payables		**100**	33
Cash generated / (used) from operations activities		**3,441**	(614)
Income taxes refunded		**153**	80
Net cash generated / (used) from operations		**3,594**	(534)
Cash flows from investing activities			
Purchase of intangible assets		**(558)**	(516)
Advances to subsidiary undertaking		**(5,434)**	(2,831)
Repayments from subsidiary undertaking		**2,026**	2,814
Interest received		**1**	3
Net cash used from investing activities		**(3,965)**	(530)
Cash flows from financing activities			
Repayment of convertible loans		**(1,020)**	–
Funds raised from convertible loans		**–**	1,550
Net proceeds from sale of treasury shares		**957**	
Net cash (used) / generated from financing activities		**(63)**	1,550
Net (decrease) / increase in cash and cash equivalents		**(434)**	486
Cash and cash equivalents at 1st July		**494**	8
Cash and cash equivalents at 30th June	10	**60**	494

Notes to the Parent Company Financial Statements

1. Summary of material accounting policies

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

a. Basis of preparation

The Company's financial statements have been prepared in accordance with UK-adopted international accounting standards and interpretations issued by the UK Endorsement Board and are in accordance with the Companies Act 2006.

There are a number of standards, amendments to standards, and interpretations which have been issued by the UKEB that are effective in future accounting. The Directors' have assessed the impact of these standards and do not expect any significant impact to the Company on their adoption.

The Company financial statements are presented in sterling and all values are rounded to the nearest thousand pounds except where otherwise indicated.

The financial information has been prepared under the historical cost convention except where fair value adjustments are required.

b. Going concern

At the year end, the Company had cash and cash equivalents of £60k with no bank borrowings. The Group's financial risks and the management of capital risks are set out in Note 23 to the Financial Statements. Accounting policy 1b to the Group accounts sets out the company's assessment of the going concern assumption.

c. Income taxes and deferred taxation

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

As set out in note 20 of the Group accounts, the Company operates a share option scheme. Where the market price of the shares at the year-end exceeds the option price there is a potential tax deduction. This is treated as a deferred tax asset. The portion of the expected future tax deduction which is less than or equal to the associated cumulative IFRS2 charge is recognised in the income statement. The balance of the credit is recognised directly in equity.

d. Revenue

Royalty and Licensing income

The Company has licensing agreements which are subject to royalty payments. Revenue from one-off licensing transactions is recorded at the point in time at which the Group provides the licensee with the right to use the specified intellectual property. The Group has no further obligations to the licensee after this point.

Royalty income is recognised under the terms and conditions of the underlying licensing agreement, and revenue is recognised when performance obligations as specified in each royalty agreement are satisfied.

1. **Summary of material accounting policies** (continued)

e. Intangible assets and amortisation

Patents are recorded initially at cost and amortised on a straight-line basis over 20 years which represents the life of the patent. The Group operates a policy of continual patent enhancement in order that technology enhancements and modifications are incorporated within the registered patent, thereby protecting the value of technology advances for a full 20-year period.

Intellectual Property rights are initially recorded at cost and amortised over 20 years on a straight-line basis. The technology defined by the Intellectual Property is believed to be able to generate income streams for the Group for many years; key Intellectual Property is protected by patents; the lowest common denominator in terms of economic life of the intangible assets is the life of the original patents and therefore the life of the Intellectual Property has been matched to the remaining life of the patents protecting it.

Development expenditure is capitalised in respect of development of patentable technology at cost including an allocation of own time when such expenditure is incurred on separately identifiable technology and its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised on a straight-line basis over its useful economic life, which the directors consider to be 20 years.

Amortisation is charged to the Administrative Expenses line of the Statement of Comprehensive Income.

Expenditure on research and development, which does not meet the capitalisation criteria, is written off to the Statement of Comprehensive Income in the period in which it is incurred.

The carrying value of intangible assets is reviewed on an on-going basis by the directors and, where appropriate, provision is made for any impairment in value. It would require a substantial movement (over 100%) in the assumptions employed in valuations before there would be any impairment to intangible assets.

Potential impairment of intangible assets has been reviewed and is outlined in note 1i in the Group accounts, with no impairment required.

f. Investments

The investment in subsidiary undertakings is stated at cost less provision for impairment. Cost is the amount of cash paid or the fair value of the consideration given to acquire the investment. Income from such investments is recognised only to the extent that the Company receives distributions from accumulated profits of the investee company arising after the date of acquisition.

Potential impairment of investments and the intangible assets each subsidiary undertaking holds has been reviewed and is outlined in note 1h and 1i in the Group accounts, with no impairment required. The impairment modelling is based on long-term modelling of the Group's IP, to evidence that no impairment in investments is required.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

h. Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the statement of financial position date and the gains or losses on translation are included in the Statement of Comprehensive Income.

1. **Summary of material accounting policies** (continued)

i. Pensions

The Company offers a contributory Company stakeholder pension scheme, into which the Group will make matching contributions up to a pre-agreed level of base salary; the scheme is open to executive directors and permanent employees. Directors may choose to have contributions paid into personal pension plans.

j. Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the shareholders at the AGM. Dividends unpaid at the statement of financial position date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

k. Classification of financial instruments issued by the Group

In accordance with IAS 32, financial instruments issued by the Group are treated as equity (i.e., forming part of shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

Finance payments associated with financial liabilities are dealt with as part of finance charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

l. Share based payments

The Company issues share options to directors and employees, which are measured at fair value at the date of grant. The fair value of the equity settled options determined at the grant date is expensed on a straight-line basis over the vesting period based on an estimate of the number of options that will actually vest. The Group has adopted a Stochastic model to calculate the fair value of options, which enables the Total Shareholder Return (TSR) performance condition attached to the awards to be factored into the fair value calculation.

m. Key assumptions and sources of estimation

The estimated life of the Company's Intellectual Property is estimated with reference to the lifespan of the patents which protect the knowledge and their forecast income generation.

When measuring Intellectual Property for impairment a range of assumptions are required, and these are detailed in the Intangible Assets note above.

The recoverability of loan between parent company and subsidiary is a key estimate. Recoverability is based on future financial performance.

2. Profit for the year

As permitted by section 408 of the Companies Act 2006, the parent company's Statement of Comprehensive Income has not been included in these financial statements. The parent company's profit after tax for the year was £618k (2023: loss of £8,757k).

3. Staff numbers and costs

	2024 Number	2023 Number
Management	**3**	3
	3	3

The aggregate payroll costs of these persons were as follows:

	2024 £'000	2023 £'000
Wages and salaries	**312**	186
Social security costs	**38**	25
	350	211

All payroll costs are of a continuing nature.

Key management are considered to be the Board of Directors and details of Directors' remuneration are given in the remuneration report on page 28 and this forms part of the financial statements.

4. Intangible fixed assets

	Intellectual Property £'000	Patent and Other Development £'000	Total £'000
As at 30 June 2022	2,761	13,908	16,669
Additions	–	516	516
As at 30 June 2023	2,761	14,424	17,185
Additions	–	558	558
As at 30 June 2024	**2,761**	**14,982**	**17,743**
Amortisation			
As at 30 June 2022	2,153	5,554	7,707
Charge for the year	178	712	890
As at 30 June 2023	2,331	6,266	8,597
Charge for the year	178	739	917
As at 30 June 2024	**2,509**	**7,005**	**9,514**
Net Book Value			
As at 30 June 2024	**252**	**7,977**	**8,229**
As at 30 June 2023	430	8,158	8,588

5. Investments

	£'000
Subsidiary undertakings:	
As at 30 June 2022 and 2023	**8,294**
Disposal in year	**(1,036)**
As at 30 June 2024	**7,258**

The disposal in the year relates to the historic investment in Plexus Deepwater Technologies which was closed in the year.

6. Deferred tax

i) Movement in deferred tax liability balance

	2024 £'000	2023 £'000
Deferred tax liability at beginning of year	**167**	358
Origination and reversal of timing differences	**593**	–
Charge / (credit) to Statement of Comprehensive Income	**117**	(191)
Deferred liability at end of year	**877**	167

ii) Deferred tax liability balance

	2024 £'000	2023 £'000
The deferred tax liability balance is made up of the following items:		
Difference between depreciation and capital allowances	**2,013**	2,055
Tax losses	**(1,136)**	(1,888)
Deferred tax liability at end of year	**877**	167

7. Trade and other receivables

	2024 £'000	2023 £'000
Receivables due from group companies	**3,408**	–
Prepayments and other amounts	**22**	41
	3,430	41

Trade and other receivables are classified as loans and receivables and are held at amortised cost. The carrying value approximates fair value.

Prepayments relate to prepaid amounts for services to be consumed over the next 12 months.

The recoverability of all receivables has been assessed with no impairment required.

8. Trade and other payables

	2024 £'000	2023 £'000
Trade payables	**46**	98
Non-trade payables and accrued expenses	**249**	97
	295	195

Trade and other payables are held at amortised cost. The carrying value approximates fair value. All trade and other payable are due within one year.

9. Share Capital

	2024 £'000	2023 £'000
Authorised:		
Equity: 110,000,000 (2023: 110,000,000) Ordinary shares of 1p each	**1,100**	1,100
Allotted, called up and fully paid:		
Equity: 105,386,239 (2023: 105,386,239) Ordinary shares of 1p each	**1,054**	1,054

10. Reconciliation of net cash flow to movement in net cash

	2024 £'000	2023 £'000
Movement in net cash in year	**(434)**	486
Net cash at start of year	**494**	8
Net cash at end of year	**60**	494

11. Financial instruments and risk management

The Company's activities give rise to a number of different financial risks: market risk (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. The Company's management regularly monitors the risks and potential exposures to which the Company is exposed and seeks to take action, where appropriate, to minimise any potential adverse impact on the Company's performance.

Risk management is carried out by Management in line with the Company's Treasury policies. The Company's Treasury policies cover specific areas, such as foreign exchange risk, interest rate risk and investment of excess cash. The Company's policy does not permit entering into speculative trading of financial instruments and this policy has been applied throughout the year.

(a) Market risks

(i) Foreign currency exchange risk

The Company is exposed to foreign exchange risk arising from various currencies. In order to protect the Company's statement of financial position from movements in exchange rates, the Company converts foreign currency balances into sterling on receipt so far as they will not be used for future payments in the foreign currency.

The Company carefully monitors the economic and political situation in the countries in which it operates to ensure appropriate action is taken to minimise any foreign currency exposure.

(ii) Interest rate risk

The Company is also exposed to interest rate risk on cash held on deposit. The Company's policy is to maximise the return on cash deposits whilst ensuring that cash is deposited with a financial institution with a credit rating of 'AA' or better.

(b) Credit risk

The Company's credit risk primarily relates to its inter-company loans and inter-company receivables. Management have reviewed the recoverability of intercompany loan balances at the reporting date with no credit losses recorded.

Amounts deposited with banks and other financial institutions also give rise to credit risk. This risk is managed by limiting the aggregate amount of exposure to any such institution by reference to their rating and by regular review of these ratings. The possibility of material loss in this way is considered unlikely.

11. Financial instruments and risk management (continued)

(c) Liquidity risk

The Company has historically financed its operations through equity finance and the flow of intercompany loan repayments. The Company has continued with its policy of ensuring that there are sufficient funds available to meet the expected funding requirements of the Company's operations and investment opportunities. The Company monitors its liquidity position through cash flow forecasting. Based on the current outlook the Company has sufficient funding in place to meet its future obligations.

12. Financial commitments

The Company had no capital commitments as at 30 June 2024 (2023: £nil).

13. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2024 (2023: £nil).

14. Related party transactions

Control

No one party owns a controlling interest in the Company.

Ultimate parent company

There is no ultimate parent company.

Transactions

During the year, the Company had the following transactions with related parties:

Plexus Ocean Systems Limited, a wholly owned subsidiary made net repayments of £2,026k less net advances of £5,434k, resulting in a balance of £3,408k due to the company at 30 June 2024.

In October 2022, the Group raised £1,550k from the issue of convertible loan notes to OFM Investments Limited (an entity connected to the van Bilderbeek family), Ben van Bilderbeek and Jeff Thrall in the following proportions: OFM Investments Limited £1,000k, Ben van Bilderbeek £500k, and Jeff Thrall £50k. The Loan Notes are non-interest bearing, and their 'long stop' maturity date is the second-year anniversary of the date of the Instrument. On 31 January 2024 Plexus agreed to redeem loan notes with an aggregate value of £849,992, through a cash payment of the principal amount plus interest premium of an amount equal to 20% of the principal amount, in accordance with the terms of the Loan Notes, which resulted in a total cash payment to Noteholders of £1,019,990.40. After the redemption of these Loan Notes, there are a total of 700,008 Loan Notes outstanding.

Ben Van Bilderbeek, Graham Stevens, and Craig Hendrie are considered to be the Key Management Personnel of the parent entity for the year under review. Details of their remuneration is included in the remuneration report.

15. Subsequent Event

On 1st July 2024 the Group announced succession changes to the Board. Ben van Bilderbeek has retired as CEO of Plexus and moved to the position of Non-executive Chair. He replaces Jeff Thrall who will remain on the Board as a Non-executive Director. Craig Hendrie has been appointed as CEO of the Company. Additionally, Graham Stevens has retired as Finance Director and stepped down from the Board. He is replaced on the Board by Mike Park who has been appointed as Chief Financial Officer. In a further addition to the Board, Anastasio van Bilderbeek has been appointed as an Executive Director and will be responsible for engagement with existing and prospective shareholders as well as assisting with, and implementing, company strategy and business development.

As part of this succession plan, and to ensure a seamless transition process, Ben van Bilderbeek will stay on as a full-time employee of Plexus Offshore Systems (Singapore) Pte Ltd and Graham Stevens will stay on as full-time employees of the Company for six months to assist the new Board as required.

Corporate Information

Directors	**Bernard Herman van Bilderbeek** (Non-Executive Chairman) **Craig Francis Bryce Hendrie** (Chief Executive Officer) **Michael George Park** (Chief Financial Officer) **Anastasio Johan Michael James van Bilderbeek** (Executive Director) **Jerome Jeffrey Thrall†** (Non-Executive Director) **Charles Edward Jones†** (Non-Executive Director) **Kunming Liu** (Non-Executive Director) † Member of Audit and Remuneration committees
Registered Office	Highdown House Yeoman Way Worthing West Sussex BN99 3HH
Company Number	03322928
Company Secretary	**Prism Cosec Limited** Highdown House Yeoman Way Worthing West Sussex BN99 3HH
Nominated Adviser and Broker	**Cavendish Capital Markets Limited** 125 Princes Street Edinburgh EH2 4AD **One Bartholomew Close** London EC1A 7BL
Auditor	**Crowe U.K. LLP** 55 Ludgate Hill London EC4M 7JW
Solicitors to the Company	**Fox Williams LLP** 10 Finsbury Square London EC2A 1AF **Ledingham Chalmers LLP** 52-54 Rose Street Aberdeen AB10 1HA
Registrars	**Equiniti Limited** Highdown House Yeoman Way Worthing West Sussex

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