Trifast plc

Recover
Rebuild
Resilience

Annual Report for the year
ended 31 March 2024

About us

Trifast is a leading international specialist in the design, engineering, manufacture and distribution of high-quality industrial fastenings and Category 'C' components, principally to major global assembly industries

Our purpose & vision

is to sustainably drive our customers' success by simplifying their fastener supply chain and supporting them in their technical requirements through our world-class engineering and manufacturing capabilities

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www.trifast.com
Catch up with our latest news and learn more about Trifast on our corporate website

Highlights

Financial highlights read more on page 20

Revenue

(4.4)%

2024	£233.7m
2023	£244.4m
2022	£218.6m

Underlying EBIT percentage

5.1%

2024	5.1%
2023	4.9%
2022	6.7%

Underlying ROCE

5.7%

2024	5.7%
2023	5.4%
2022	8.3%

Working capital as a percentage of revenue

40.8%

2024	40.8%
2023	45.9%
2022	46.5%

Non-financial highlights read more on page 21

Lost time incident rate

0.27

2024	0.27
2023	0.01
2022	0.99

CO_2e reduction (FY19 baseline)

(31.8)%

2024	(31.8)%	Target (21.0)%
2023	(30.3)%	Target (16.8)%
2022	(27.6)%	Target (12.6)%

Gender diversity (all employees)

67%
33%

	Men	Women
2024	67%	33%
2023	70%	30%
2022	69%	31%

Supply chain (percentage of spend[1])

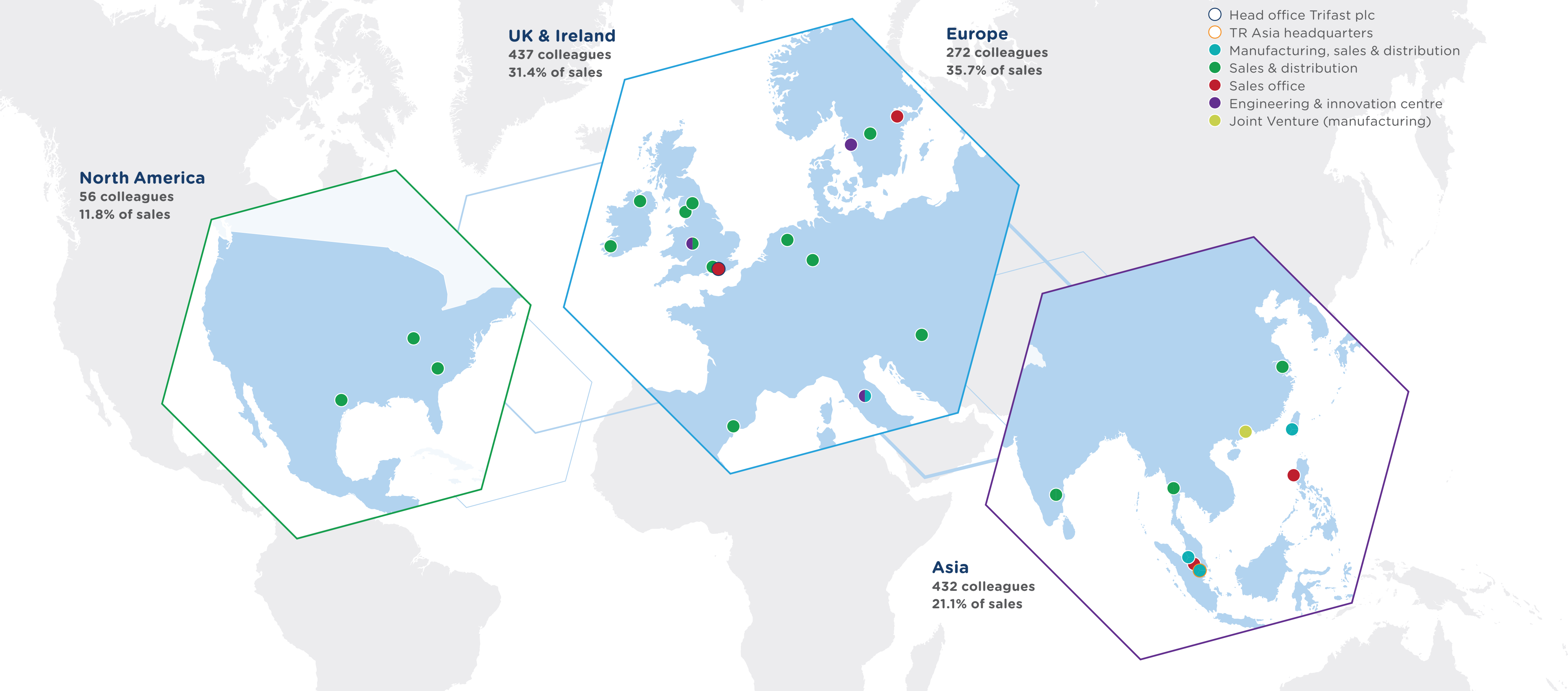
82.3%

2024	82.3%
2023	76.7%
2022	62.2%

1. Percentage of spend signed up to Slavery & Human Trafficking Statement

Global presence

We have c.1,200 employees in 16 countries



Engineering

Early involvement in design is key to ensure that we support customers at the inception of new products

Manufacturing

In-house manufacturing gives us increased capability, product knowledge and a unique advantage over competitors

Supply chain simplification

Our vendor development process provides approved vendor supply chain excellence and simplicity for customers

Meet the new team

Serena Lang

As the new Chair, what has been your main focus since taking up the role?

It has been very busy since joining in August 2023. Following a comprehensive handover from the previous Chair, Jonathan Shearman, I have had the privilege of meeting many of the TR team across Asia, North America, UK & Ireland and Europe. These visits have been immensely important and are ongoing. As well as learning more about the fastener industry, it has been great to meet our employees and learn more about their motivations. I have also supported our new CEO with the strategy review as well as recruiting a Remuneration Committee Chair, who joined us in March 2024.

What are the major highlights for you since joining Trifast?

Three highlights come to mind immediately: visiting our global facilities and meeting the wonderful TR employees; celebrating the opening of our UK National Distribution Centre was a highlight for the Board; and finally, engaging with our shareholders to better understand their support and motivations for investing in Trifast.

What are the Board's focus areas for FY25?

The Board are laser-focused on the successful transition of the business, in delivering the new strategy and improving shareholder returns. We will work closely with the Executive Leadership Team, with a focus on rebuilding the culture and capabilities that the business requires and successfully making ourselves a great place to work again. Our customers are at the heart of everything we do, and we will continue to add value to their businesses by providing world-class engineering and supply chain excellence to solve their problems.

Iain Percival

As the new CEO, what has been your main focus since joining?

Since joining in September 2023, I have focused my energies on TR's Recover, Rebuild, Resilience plan. I am building a strong leadership team, a safety culture and ensuring operational excellence. I have also had a chance to review our strategic direction and have worked with the Board and Senior Management to ensure we shape TR for the next chapter of its success.

What are your key deliverables for FY25?

I have five principal areas of focus for FY25:

1) Importantly, I want to enhance the safety culture across all our global operations, through training, learning, reporting and employee engagement. It is important that all TR employees have a safe and supportive place to work
2) Improve employee engagement and feedback through town hall meetings, effective communication and employee surveys
3) Focus on ESG and demonstrate to our stakeholders that TR is committed to delivering a net zero environment
4) Continue to build strong relations with our shareholders and investors
5) Deliver a year of financial growth and progress as we start our Recover, Rebuild, Resilience journey

What drives you personally?

Well, I am a Manchester United fan so resilience has been required for the past few years and my club is on a similar journey back to greatness as we are at Trifast, and I am confident both will deliver.

Laura Whyte

How would you describe your initial period as a Trifast Non-Executive Director?

It has been incredibly busy – I had an excellent handover from Claire Balmforth, for which I am hugely grateful, and her wisdom and guidance have supported my education about Trifast and the fastener industry. The induction programme for NEDs is very comprehensive and I have met with many employees in Uckfield, the National Distribution Centre and TR Italy. Everyone has been very welcoming and willing to share their knowledge and experience – the passion I have heard for the Company has been inspiring.

As the designated Non-Executive Director for employee engagement, what are your plans?

Importantly, I plan to visit and meet with employee groups as soon as I can and I am bringing my experience, both as an executive and as a non-executive, on what great employee engagement looks like into play as we build our engagement mechanisms. There is nothing more valuable to a Board than the opportunity to hear directly from those involved in delivering our customer experience and enabling the employee voice is vital.

What excites you about Trifast?

Firstly, I would say the 51-year history and the passion and enthusiasm from the TR employees I have met and their determination to provide the very best service to all our customers. It is testament to the Company that the average length of employee service is over ten years and that wealth of knowledge and deep-seated customer relationships is a huge business strength.

Chair's welcome

Serena Lang
Chair

> The Board's focus has been to approve a new strategic transformation plan aimed at creating a more resilient, commercial and sustainable business under the leadership our new CEO, Iain Percival, which allows the Company to Recover, Rebuild and build Resilience

Having taken over as Chair in September 2023, halfway through our financial year, I would firstly like to take the opportunity to thank my predecessor, Jonathan Shearman, who served on the Board of Trifast for 14 years, and as Chair for the final four years. A role he did with care, passion and diligence during some very challenging times. Jonathan also commenced the search process for the new CEO, making my first role as Chair of the Nomination Committee much easier, whilst Clive Watson, our Senior Independent Director, diligently ran the Chair recruitment process. Thanks to them both.

As part of my induction plan, I have visited our operations in Asia, North America and Europe and met with our teams and customers. I have been struck by the passion the Company has for serving customers and the desire each site has to continually improve. It is clear that we have excellent engineering capabilities, a desire to win, and customers and employees that have been with Trifast for a very long time. There were also clear opportunities to build capabilities and competencies, establish a unified 'One TR' culture and ensure better engagement throughout the business.

I am grateful to those shareholders who have given me their time, evaluations and insights into Trifast with open and honest conversations.

Board changes

One of my first roles as Chair was to work with the Board and conclude the appointment of the new CEO. After a thorough and rigorous process, the Board were delighted to appoint Iain Percival to the role in September 2023. Iain brings with him deep leadership and business transformation experience and it is clear that he is already making a significant impact at Trifast. On behalf of the Board, I also want to thank Scott Mac Meekin for stepping in as the interim CEO for seven months, allowing the Board the time to undertake a comprehensive search process.

We said goodbye to Claire Balmforth in March 2024, one of our Independent Non-Executive Directors and Chair of the Remuneration Committee who has retired from her portfolio career. We are very thankful for Claire's contribution and professionalism throughout her tenure and are delighted to have appointed Laura Whyte as her replacement. Laura, having worked in several organisations within the listed, private and charity sectors, is an experienced operational and Non-Executive Director with a strong focus on brand, customer and workforce engagement, bringing strength and diversity to the Board skills, particularly in relation to people and engagement.

Darren Hayes-Powell left the business by mutual consent in February 2024 and Kate Ferguson, our Group Financial Controller, assumed the role of interim CFO on his departure whilst the Nomination Committee commenced an Executive search process for the permanent role which you can read more about on page 92.

Chair's welcome continued

Looking back at FY24

Iain made it clear that his number one focus was the safety and wellbeing of all employees. Ensuring that all our people are safe and able to go home to their families is of paramount importance to the Board and this focus, along with the appointment of David O'Brien, Global EHS Director, and the clear expectations set out by Iain, can already be seen throughout the organisation. Safety is a journey and requires a shift in culture. The Board will be monitoring the work being done here and ensuring our employees remain safe and supported going forward.

Last year marked our 50th anniversary for Trifast and another inflection point in the Company's history. Good companies continue to change and transform to meet the needs of their stakeholders and Trifast is no different. The Company, driven by a 'customer first' attitude, ramped up inventory levels during the pandemic to protect our customers' manufacturing lines and the subsequent impact of cost inflation, the Ukraine conflict and customer destocking led to high inventories and high net debt.

Following Scott Mac Meekin's appointment as interim CEO in February 2023, together with the Board, he launched a recovery roadmap for the business based on several key self-help operational and commercial improvement programmes. Working closely with Chief Commercial Officer, Dan Jack, they created a process of Sprints that would enable the business to start turning the trend on inventories, better understand customer profitability and focus business development on the top 200 customers.

I am delighted to say that our inventory levels have been managed downwards significantly over the year.

The current geopolitical uncertainty, leading to supply chain disruption, together with the macroeconomic environment, continued to challenge the business and we saw further unexpected destocking and continued inflation-led price increases and interest rates, resulting in significant downward pressure on our revenues and profitability measures, and our transformation plan will look to address greater resilience in these areas.

The UK team worked tirelessly to establish our new National Distribution Centre in the Midlands. This facility will lead to better efficiencies, improved supply chain management and clarity of inventory levels across the UK business. There is still work to do to deliver world-class processes and more efficient ways of working and a multi-disciplinary team has been pulled together to make that happen. I am very pleased to confirm that we will be holding our AGM at the National Distribution Centre in September.

Our people

It has been an absolute delight to visit the Trifast operations and meet our wonderful people. I have yet to meet everyone; however, what is obvious from those I have met, is that our employees are dedicated to delivering excellence to our customers and are passionate about the business, which comes through clearly in the regular customer satisfaction surveys we run.

During my visits, it became clear that we needed greater communication and employee engagement, to actively listen more and to put in place formal structures that allow the Board to have better access to the voice of our employees. This will be critical to the success of strategic transformation and together with a bottom-up culture approach, will be a priority for the Board going forward.

Throughout FY24, our employees have faced substantial change both from external factors as well as internal initiatives designed to improve the sustainability of the business. It was therefore a difficult year for many, as colleagues moved on from the business and workplaces changed.

On behalf of the Board, I would like to recognise the amount of change and personal impact that this period of the Company has had on our employees and thank them for their continued hard work and loyalty. Together, we will make Trifast a great place to work again.

Dividend

The Board is proposing a final dividend of 1.20p. Our focus on growth through the transformation process allows us to remain committed to a progressive dividend policy that shares the benefit of ongoing growth with our shareholders. I am also very pleased to announce that the Company is introducing a Dividend Re-Investment Plan for the first time and shareholders will receive more details on that when the notice of the Annual General Meeting is issued in July 2024.

Looking forward

It is essential that Trifast becomes more resilient and the new strategy and transformation plan that Iain and the Executive Leadership Team have developed under the Recover, Rebuild, Resilience framework is aimed at achieving that, and the Board is pleased that progress on 'Recover' has already begun during FY24. The business will be focusing on the commercial outcomes, whilst building a strong new culture where our people thrive, so we can continue to delight our customers and drive shareholder value. Finally, I look forward to speaking with our shareholders at our AGM on 10 September 2024.

Serena Lang
Chair

CEO review

Iain Percival
Chief Executive Officer

> I feel privileged and excited to be leading our business as we write the next chapter of our growth and success story

Introduction

Thank you for taking the time to read through our Annual Report, which reflects a year of transformation for Trifast; a year where we have faced challenges but can also reflect and celebrate success. We delivered a resilient trading and operational performance in a challenging macroeconomic and geopolitical environment impacting our customers' demands. I am proud of our achievements, delivered through our dedicated people.

FY24 achievements

- Improved net debt, largely due to a focus on controlling inventories and reducing stock weeks
- Continued strong pipeline wins, demonstrating that Trifast continues to have growth opportunities
- Completion of our UK National Distribution Centre (NDC) project, a complex supply chain and footprint simplification initiative to consolidate our UK distribution operations into a single purpose-built unit located in the heart of our industrial customer base (see page 27 for details)
- Launched our manufacturing Joint Venture in Guangdong province, China, with our partners Chia Yi Precision Fasteners to better serve our Chinese growth customers

I would like to thank all of our Trifast employees. Without their significant efforts and contribution, our FY24 achievements would not have been possible. I look forward to celebrating further success this year as we collectively execute on the first phase of our journey.

I would also like to thank our Board for the consistent support and encouragement provided to myself and my Executive Leadership Team.

CEO review continued

Our journey – Recover, Rebuild, Resilience

In 2023, TR celebrated 50 years of business with a proud heritage of serving customers with engineered fastening supply chain solutions. I feel privileged and excited to be leading our business as we write the next chapter of our growth and success story.

Trifast has gained many strengths over that 50-year history which represent a solid platform on which to build:

- We are passionate about the customers that we serve, whether that is a single engineered component or fulfilling a customer's fastening requirements with both product and supply chain solutions
- We have a loyal, skilled and experienced team
- We are positioned to serve our customers using our engineering, manufacturing and distribution capabilities globally

'One TR'

Whilst celebrating our core strengths and achievements, we must also recognise that the last few years have been challenging for many of our customers and also for our business. I have set out in the following pages the transformation plan that will underpin a return to sustained profitable growth within a safe, engaged and consistent people culture called One TR.

Our transformation journey will take us through three phases:

Recover

Our initial focus is returning to positive margin growth. Despite the continued challenging macroeconomic and geopolitical environment in which we are operating, our clear ambition in FY25 is to deliver measurable progress in profitability, cash generation and return on capital employed. This will be achieved through focused margin management actions, supporting our positive profitable growth with new pipeline wins, combined with continued strict cost control and working capital management. This is all supported by our increasingly robust approach to risk management, more of which can be read about on page 66.

Rebuild

Our medium-term ambition of the Company strategy is to deliver a business which is performing with EBIT margins >10% and ROCE of >12% through the execution of our new focused business strategy and transformation plan.

Resilience

We will implement best practice in our people and business processes that become our means of generating profitable growth momentum and delivering longer-term EBIT margins in the range of 12-15% and ROCE in the range of 15-20%, and a business that is able to sustain that level of high performance through future economic cycles and continued supply chain challenges.

Business strategy

We have spent time during this year challenging our business strategy, reflecting on what we truly believe to be our winning ambition, where we play, how we win and what capabilities are required to execute successfully.

Trifast has operated successfully for many of its 50-year history as a company built through a series of acquisitions globally. In the past few years, challenges around supply chain and demand volatility, as well as increased customer and stakeholder expectations and demands, has stretched our ability to support what is a diverse portfolio of operations and markets.

Our new business strategy is therefore built on ensuring we recognise, build and focus our core strengths of customer focus, excellent quality and service, fastening supply solutions and manufacturing and engineering capability in selected markets and geographies where we can align this value proposition with our core customer needs and expectations.

Building capabilities

We have started to reshape the organisation to align with our business strategy, creating an organisational structure of four regional leadership teams, each headed by a Managing Director that sits on the Executive Leadership Team (ELT). These regional teams are fully accountable for their profit and loss and cash flow performance and are supported by six central enabling functions. Both our ELT and our Senior Leadership Team, those senior leaders who report directly to ELT members, are aligned and incentivised per our variable pay policy through a management bonus scheme linked directly to delivery of our strategy and budgeted financial performance.

Recognising that we are managing transformative change, there has been investment into experienced transformation skills that will ensure we programme and project manage strategy execution effectively.

To support our value proposition, we will also invest in key account management and application engineering which we see as a critical component of our differentiation and competitive advantage in the market, helping our targeted customers solve their fastening supply chain solution needs.

Finally, having now completed Project Atlas, to replace the outdated Tribune ERP system with Microsoft D365, and given the increased needs of our customers in helping deliver agile and data-driven solutions, we will be augmenting our existing technology systems with targeted transformation projects.

CEO review continued

Our culture and values
Our culture and values have been refreshed with the launch of One TR where we work globally across our regions and functions to deliver a singular vision. You can read more about our One TR values on page 11.

We work with integrity

We're agile and forward thinking

We respect everyone

We care about the environment

We're passionate and courageous

Safety
Our approach to safety has historically been compliance driven, which does not reflect our values or ambition to deliver a safe, engaging and inclusive One TR culture. With our new values, we have started to change this approach and have a clear three-year roadmap to deliver a far more proactive, engaged and ultimately safer working environment. Read more on pages 44 and 45.

People
Our people are at the centre of our business. It is their passion, talent and drive for quality and service excellence that stands out for our customers time and again and sets Trifast apart from the competition. This was echoed in the customer feedback we received during our strategy review. I am truly grateful for all the support and hard work of our people, in what has been a year of challenge and change.

Last year we celebrated our 50th anniversary of being a UK industrial business, a heritage of which I and all at Trifast are extremely proud. It was therefore with much sadness that we lost one of our founders, Mike Roberts, in December 2023 who, together with Mike Timms, founded and built the successful foundations of TR.

I would like to recognise Mike Robert's achievements. We all feel the responsibility to continue to build upon our history and success as we look forward to our next 50 years.

We also said farewell to two long-standing members of the Trifast team. Glenda Roberts worked for 34 years, operating as a leader and role model for women in business, for which we are truly grateful. Stevie Meiklem, likewise served Trifast for 32 years, with his final role being creating and delivering our UK National Distribution Centre. Both have been instrumental in building our business and we wish them health and happiness in their well-deserved retirement.

Our new organisational structure has fundamentally changed the business from operating as individual profit centres to a standardised regional business supported by central enabling functions. This more streamlined approach has allowed us to both reduce the overhead cost, whilst facilitating clearer accountabilities and responsibilities, and enable best practice leverage. There are already benefits being delivered through enhanced teamwork.

As expected, we have reduced our overhead roles by c.60 heads and will deliver annualised savings in FY26, with savings already being delivered this year. Our flatter and leaner organisation will enable more agile execution, faster two-way communication and enable our talented workforce to fulfil their potential.

We were pleased to see a significantly higher participation rate in our engagement survey of 61% (FY23: 50%), with colleagues in our factories and distribution centres participating for the first time. Our engagement score of 6.7 (down from 7.4 in FY23) reflects the year of change and business challenge. Each location and team identified three improvement actions to deliver a better place to work and we look forward to reporting more broadly on our progress in our next Annual Report. Our goal remains to have a motivated, skilled and engaged workforce and we will continue to drive progress towards achieving upper quartile industrial engagement scores of >75.

Diversity, equity and inclusion
As I have travelled around our business, I have been encouraged by diversity across our global sites. In the UK, I am encouraged that our gender pay gap report shows that we have equity at the median on pay. Whilst these are positive indicators, we will be strengthening our commitment to providing equal opportunity and an environment where everyone is valued and can be successful. Read more about D,E&I on page 44.

CEO review continued

Our culture and values continued

Environmental, social and governance

My thanks to Louis Eperjesi who, as Chair of our Board Responsible Business Committee, has led and will continue to lead a focused review of our commitments aligned with our strategy. Read more in our being a responsible business section on pages 37 to 54. Delivering on carbon reduction through actions such as solar panel installation at our TR operations, converting our electricity supply contracts to zero carbon and driving energy efficiency projects across all our locations represent actions we are committed to delivering on as we drive for a 67.2% reduction in Scope 1 and 2 emissions by 2035.

From a governance perspective, we have refreshed our approach to risk and compliance management, recognising that these are key drivers of delivering our strategy and ensuring we are operating to the highest ethical standards. An example of this is the progress we have made on the forthcoming CBAM legislation. Read more on pages 51 and 58.

Technology

I am pleased to report that we completed Project Atlas with the most recent go-live at our Houston location delivered at the end of March 2024.

The tangible benefits in having this technology platform gave us the ability to consolidate our UK distribution facilities into our purpose-built National Distribution Centre in Walsall, UK, with our final location integration completed in June 2024.

Standard and visible management data is critical for our business to enable control on inventories and supply chain management, operational efficiency improvement within our distribution centres and commercial optimisation with customers and suppliers.

Looking ahead, we are using this technology platform to build further value creation opportunities with ‘Connect360’ and ‘Virtual Engineer’, exciting examples of strategy execution enabling projects.

Connect360, Trifast’s cutting-edge customer engagement solution, presents a transformative perspective on customer relations. Crafted and executed internally by our Technology Innovation Team, this gives Trifast an all encompassing portrayal of customer activities and will go live in July 2024. By amalgamating data from our ERP platforms, quoting systems, website interactions and third-party sources, Connect360 equips users with comprehensive, near-real-time insights essential for bolstering customer support and fuelling business expansion, all consolidated within a single platform.

Virtual Engineer represents Trifast’s commitment to delivering unparalleled fastening product information, catering to both customers and staff through an interactive conversational interface and we anticipate launching this later in the year.

Leveraging AI technology to combine Trifast’s engineering prowess with our extensive knowledge base and fastening datasets means users can effortlessly seek guidance tailored to their specific requirements. The Virtual Engineer seamlessly directs users to relevant product listings on our website, accompanied by drawings, 3D models and instructional videos, ensuring an enriched user experience.

Innovation

Supporting our customers with engineering solutions is a differentiator for Trifast, and I am proud of our engineering and innovation capability. We conduct and provide a wide range of support for our customers from value engineering proposals, product teardown and simplification through to design innovation with our EPW screw and Plas-Tech 30-20®, recent examples of our success. We conduct this work in our innovation centres in the UK, Sweden and Italy, with plans to establish centres in Asia and North America to support customers in these regions.

Read more about our EPW screw and Plas-Tech 30-20® on our website at www.trfastenings.com/company/newsroom-and-media/product-news

Iain Percival
Chief Executive Officer

Our new strategic direction

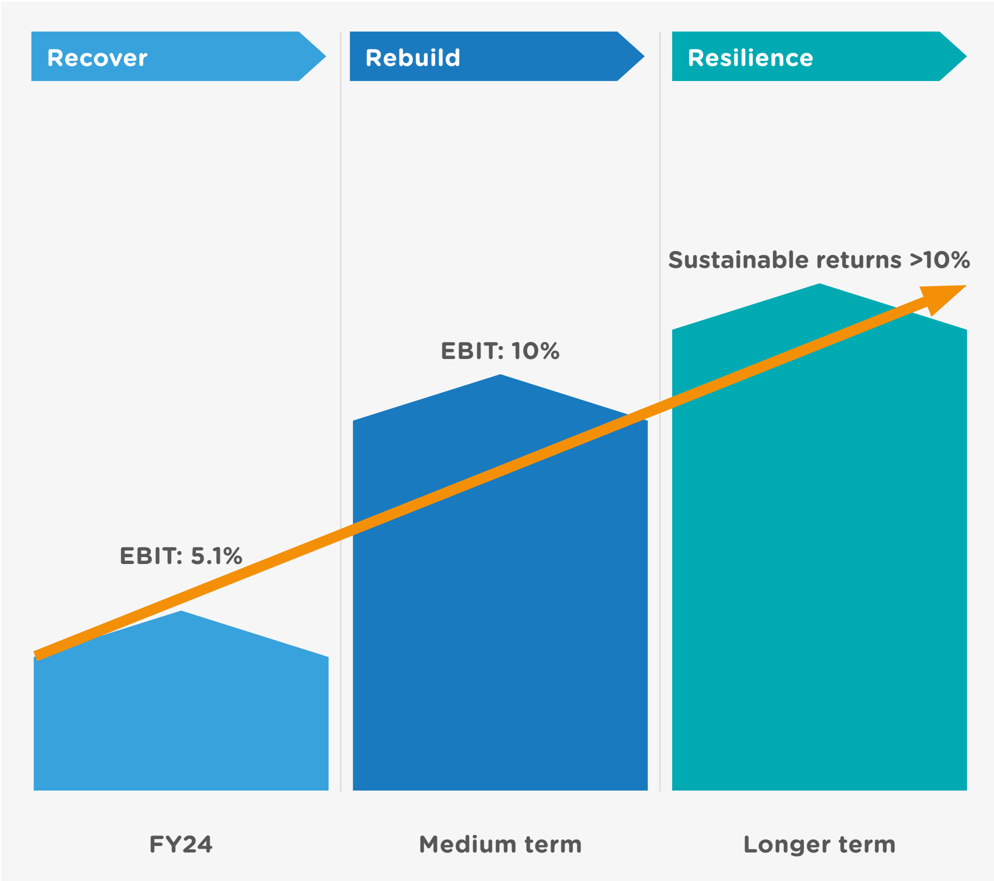
Our purpose is to sustainably drive our customers' success by simplifying their fastener supply chain and supporting them in their technical requirements through our world-class engineering and manufacturing capabilities

When starting our strategic review process last year, we felt it important to reflect on the strong legacy of being a passionately customer focused business whilst taking the time to understand how their needs are changing and how our differentiated capabilities at Trifast can ensure that we Recover, Rebuild and deliver a Resilient future.

Our new purpose statement above, is a consequence of customer, employee and other external stakeholder feedback and helps us shape our new focused business strategy. We recognise that our role is to help our customers remove and manage complexity in their fastener supply chain and add value to our relationship through the engineering and manufacturing talent and capabilities we have. We are rightly proud of the high-quality, reliable and responsive solutions that we provide our customers every day and of the knowledge and expertise we can leverage to help them succeed.

Our ambition, described through our Recover, Rebuild, Resilience journey, is to create a high-performing Trifast that is a safe, inclusive and an enjoyable place to work for our employees and operates at the upper quartile of the industrial peer group performance resiliently.

We recognise that whilst Trifast retained strong performance for our customers, our fragmented strategy and business model meant we lost momentum in delivering sustainable and acceptable financial returns. Our new business strategy sets out the approach we will take to address the short, medium and longer-term delivery of a sustainable and profitable growth business.



Medium-term refers to FY27; Longer-term refers to FY30.

Our new strategic direction continued

We have new values to support our purpose and vision

Recognising that Trifast is beginning a new chapter and that we are seeking to achieve a cultural change aligned to our One TR culture, we have taken the opportunity to update our values. As we embed them throughout the organisation, they will be aligned to our new People Performance Management process, enabling us to hold ourselves to them through our behaviours.

We work with integrity

- **We** respect and value our past and strive to build an even stronger future
- **We** build trust through delivering on our promises and actions
- **We** work and collaborate as One TR

We are rightly proud of our 50-year history as a customer-focused fastening supply chain solutions partner. We commit ourselves to improve so that we can build a stronger future. We build trust by doing what we say, we hold ourselves and each other to account for our actions. We are committed to our One TR culture where the decisions and actions we take are in the best interests of the Group first, region or function second, site or team third and finally ourselves.

We're agile and forward thinking

- **We** seek continual improvement and a culture of making things better
- **We** strive to do our best work and to continually learn and develop
- **We** relish new challenges with a positive attitude

Our world is changing faster than ever before and we recognise that to be successful, we all need to bring our best self to work and to challenge ourselves and our colleagues for continuous improvement as we learn and grow together. We look into this changing world with appetite for change and a desire to deliver positively.

We respect everyone

- **We** respect and embrace fresh thinking and new ideas
- **We** celebrate diversity and welcome a culture where our people can be themselves
- **We** listen and learn from each other and seek to create a safe working environment

We are open and inclusive in our behaviour and attitude, respecting everyone that we interact with and we celebrate diversity within a culture where we all can be ourselves at work. We care about ourselves and each other and work to ensure we all stay safe and go home safe every day.

We care about the environment

- **We** strive to reduce our impact on the environment
- **We've** committed to finding new ways of business that are better for the environment
- **We** aspire to be net zero

We are committed to reduce our impact on the environment and look for innovative ways to achieve this with an ambition of achieving a net zero business.

We're passionate and courageous

- **We** challenge the status quo and find solutions to problems
- **We** bring our passion and engineering excellence to be the best at what we do
- **We** constantly evolve to be there to deliver value for our customers as their businesses continue to change

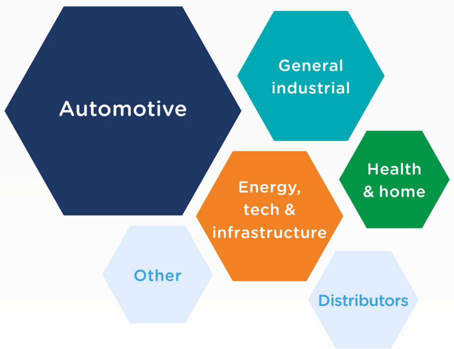
We recognise the need to change how we operate and passionately drive for increased customer value by collaboratively solving problems. We are brave and bold in our actions and are unafraid to constructively challenge ourselves and each other to bring the best solutions.

Our new strategic direction continued

We aim to focus our short-term growth in industries where we already have a presence, and in high-growth and sustainable sectors for the medium and longer term. We retain our strategic customer base where it is profitable

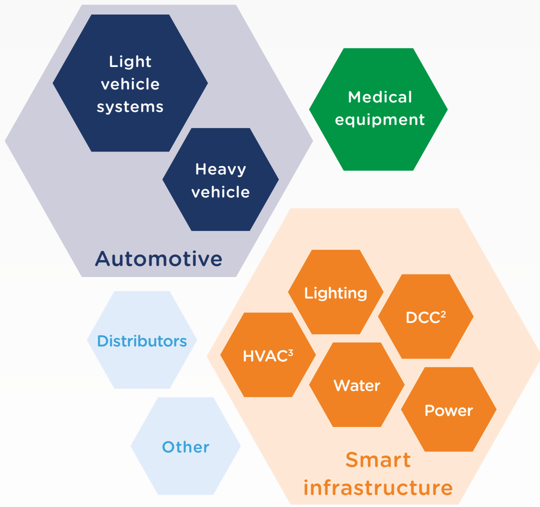
FY24[1]

- Customers across a broad range of industries
- High exposure to automotive



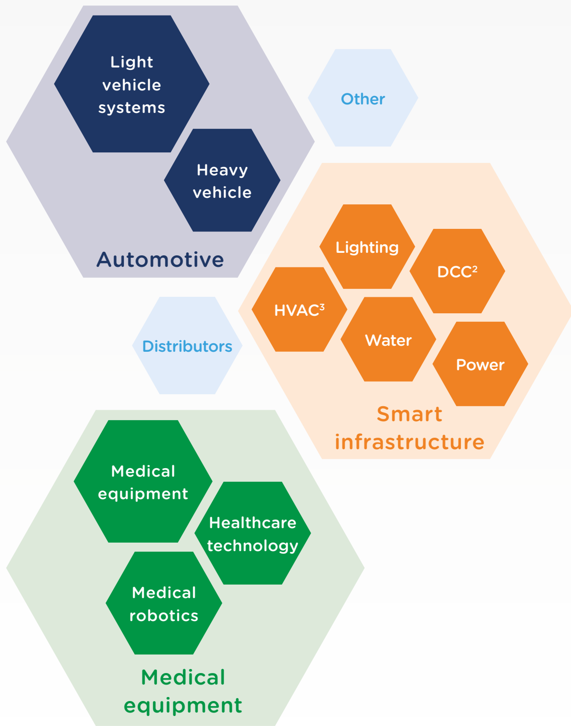
Medium term

- Focus on profitable parts of automotive industry
- Develop customers in smart infrastructure
- Small bets on longer-term, high-growth segments such as medical equipment



Longer term

- Automotive and smart infrastructure become key segments
- Bets on high-growth segments pay off as customers mature
- Balanced market mix supported by structured growth drivers



1. The FY24 financial results are based on the six industrial sectors identified above
2. DCC (Data, Communication & Connectivity)
3. HVAC (Heating, Ventilation & Air Conditioning)

Our new strategic direction continued

As part of our strategy formation, we have conducted extensive analysis on our existing and potential alternative industrial markets, looking both geographically and sector-wise at future forecast growth versus the industrial average. From a shortlist of growth sectors identified, we then evaluated customer needs using a combination of internal data and external insight, including structured customer interviews, matching them against our value proposition and our current market position. Based on this approach, we have identified three profitable growth sectors on which we will focus

Automotive

This sector already represents our largest and most global revenue base, with Trifast holding strong positions with many of the world's leading automotive Tier 1 system suppliers. Critically, we see continued growth potential, however, we recognise the need to balance growth with a more risk-managed contractual relationship and be focused on technologies and systems which will be applied to future vehicle platforms.

Smart infrastructure

Our current energy, tech & infrastructure sector, which is our second largest revenue stream, has been relabelled deliberately as smart infrastructure, reflecting our focus on five subsegments of growth related to smart and interconnected cities and homes (lighting, HVAC, water, power and data, communication and connectivity). We have identified these five specific segments and the customer types within them as having the best fit to our value proposition and technical capabilities.

Medical equipment

Within our current health & home sector, we identified a high-growth segment of medical equipment, where Trifast already has captured initial business but where we feel there is significant opportunity for growth. From our customer and market insight, we believe there is a strong fit with Trifast's value proposition, geographic footprint and capabilities. Recognising the longer lead time to build relationships and satisfy qualification and regulatory requirements in this sector, we expect this to be a medium to long-term growth engine.

Our new strategic direction continued

Customers that select TR are those that recognise the added value that our engineering and manufacturing competencies bring

As part of our analysis to form our strategy, we interviewed a range of customers to get their voice on what is most important to them.

Linking back to our new purpose and vision, we can see that the feedback we've received validates that our offering of supply chain simplification, engineering and innovation and manufacturing will meet and exceed our customer requirements. TR is well positioned in servicing customer needs, especially in the three-target growth sectors.

TR scores highly in a primary need of customers to work with them on design solutions, with recent examples being our EPW screw and Plas-Tech 30-20®.

We continue to invest in our engineering and innovation centres to build out this core strength and drive faster development within our chosen market sectors.

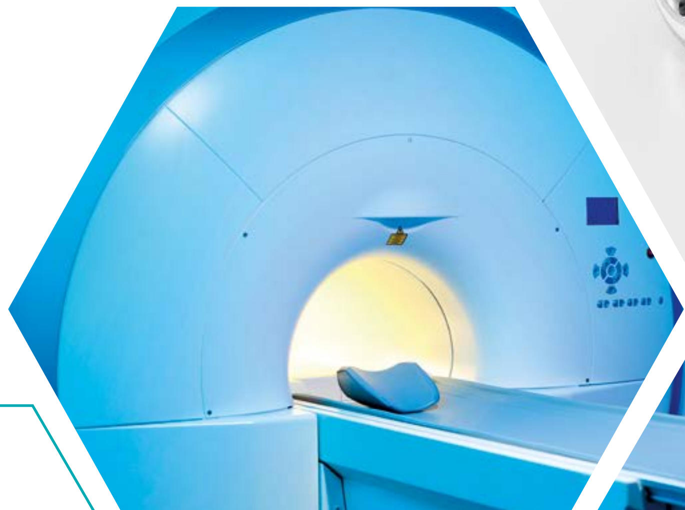
TR also scores highly on quality, we recognise the importance of delivering reliable products to our customers and both our own manufacturing capabilities and our closely managed supply base are delivering exceptional quality performance.

TR is seen as competitive within the market and our aim is to ensure we are delivering value rather than the cheapest price. Customers that select TR are those that recognise the added value that our engineering and manufacturing competencies bring and this helps develop longer-term successful relationships. We have an ongoing active programme of customer evaluation to ensure we are deploying our resources, efforts and capital on those customers with whom we have the right long-term value creation potential.

TR scores very highly on great customer service, clearly this strong foundation of being both responsive as well as providing value-added services such as engineering lunch and learn sessions provides our customers with reassurance and confidence in our ability to service their needs.

Whilst TR scores lower on providing the full range of technology solutions for supply chain simplification, our offering is seen as competitive in the market and we will address the technology solutions gap through partnerships with established solutions providers where our customers specify that as a requirement.

Importantly, hearing from our customers also guides us on what is less important to them and this allows us to internally prioritise the right solutions.



Read more on our website at www.trfastenings.com/company/newsroom-and-media/product-news

Our new strategic direction continued

Trifast currently performs well against competitors across the most important customer needs

What our customers want

Co-operation in design

Suppliers who provide recommendations in the early design phase to improve function and reduce costs.

How we are well positioned

Engineering assistance in all stages of design

Engineering team collaborate on design, e.g. CAD

- Line walks to suggest product improvements or special parts to consolidate inventory

Competitive position

Less-developed — Well-developed

High-quality products

Important for mission critical parts, e.g. racks in data centres, EV batteries.

How we are well positioned

Guaranteed product quality

From a combination of in-house manufacturing, technical expertise, and a trusted supplier network for products not produced in-house

Competitive position

Lower-quality — High-quality

Good price

Customers look for good value and frequently review contracts to negotiate prices if necessary.

How we are well positioned

Price competitiveness

Willing to offer prices equal or more competitive than others

Competitive position

Premium — Value

Proactive customer service

Regular communication and suppliers who go the extra mile to ensure issues are swiftly resolved.

How we are well positioned

Regular and attentive customer engagement

- Regular meetings to review stock
- Facilitate education by organising lunch and learn sessions

Competitive position

Less-developed — Well-developed

Supply chain simplification toolkit

Solutions to de-risk the supply chain.

How we are well positioned

Tech-enabled VMI

- Software for demand forecasting and e-commerce
- Hardware for inventory management, e.g. RFID, weighted bins, vending machines

Competitive position

Less-developed — Well-developed

Our new strategic direction continued

To deliver our medium-term strategic goal of at least 10% EBIT, we have identified four key strategic initiatives

Margin management

Better management of our margins. Meaning we manage inflationary costs through pricing and sourcing efficiencies, we actively address lower-margin customers and drive value engineering activities to enhance margins, using our technology platforms and data analytics tools such as TRuProfit™.

Focused growth

Gaining share of wallet and building profitable revenue by targeting customer opportunities in the three identified focused growth sectors of automotive, smart infrastructure and medical equipment.

Organisational effectiveness

Making sure we have the right people in the right place and therefore the capabilities that allow us to be more productive, with effective management of our controllable costs.

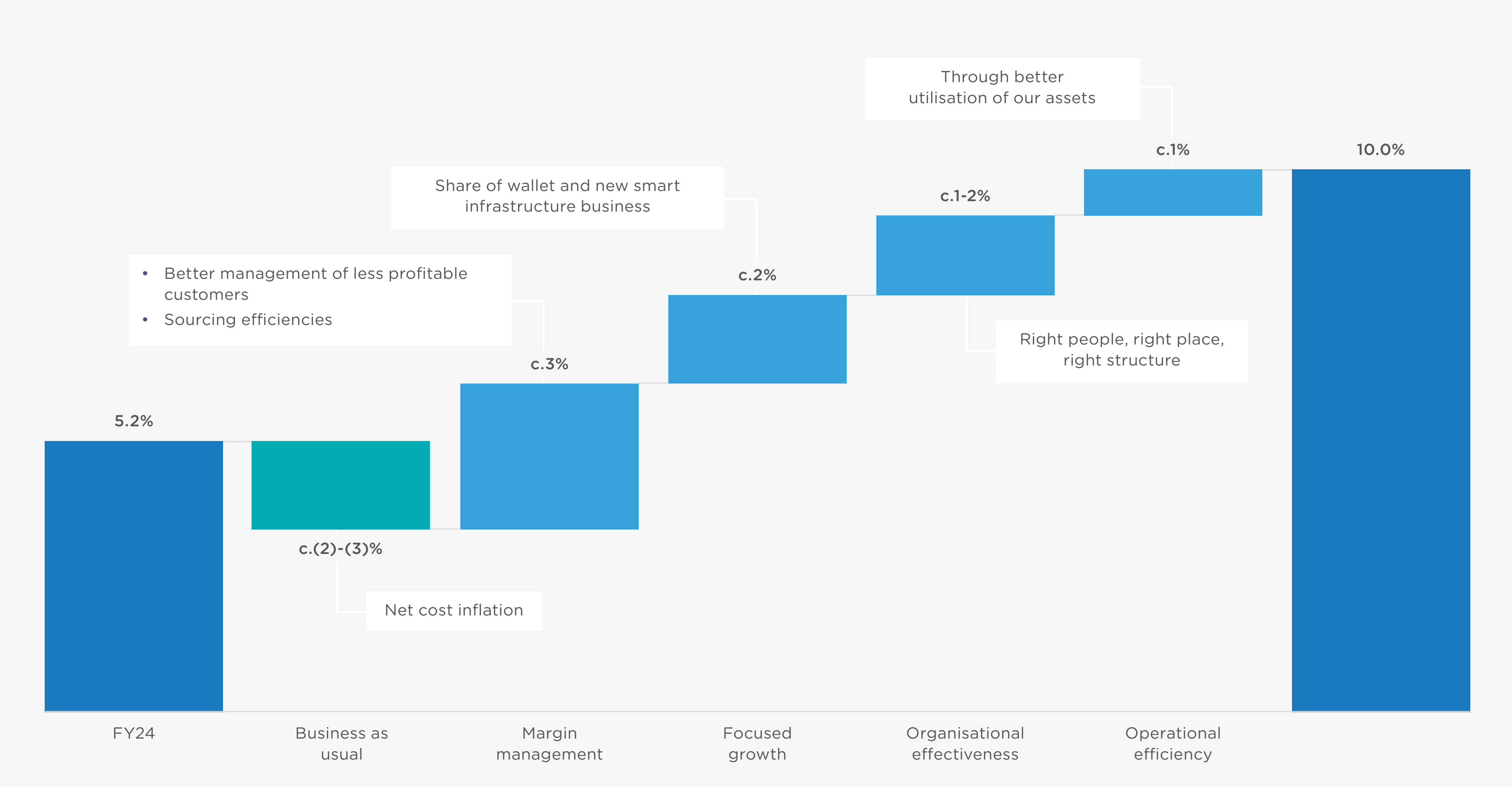
Operational efficiency

Driving labour and asset utilisation efficiencies across our distribution centres, manufacturing operations and customer and supplier supply chains. Using technology and capital investments to accelerate delivery of efficiency improvements.

Much of what we can deliver is through self-help, and our initial focus will be on driving and delivering those actions whilst we build the longer-term market-driven actions that will position us for accelerated profitable growth as the geographic and market sectors recover.

Our new strategic direction continued

EBIT margin bridge



Delivering growth through our business model

Our business model proposition to customers is supply chain simplification, supported by engineering and manufacturing. It plays to our current capabilities and to the needs of our customers

Our competitive strengths

Engineering

- Supporting our customers with design and technical capabilities
- Forms part of a value-based discussion
- Our customers currently view our capabilities in this area as **strong**

Supply chain simplification

- Delivering a solution that removes administration, engineering and supply chain complexity, allowing our customers to focus on higher-value components
- Establishes intricate relationships with customers as we address their needs
- Our customers currently view our capabilities in this area as **sufficient**

Manufacturing

- Providing customers with custom and non-custom manufactured products
- Gives customers assurance of supply chain and quality
- We have **strong** manufacturing capabilities in Asia and Europe, and aim to further enhance our manufacturing footprint globally

How we deliver value

From the customer feedback, we have identified three core strengths that define our value proposition.

Engineering

Because we are a business focused on engineered fasteners, we also offer significant engineering capability and innovation to help drive value, solve application problems and support new product development.

Supply chain simplification

Principally, we offer our customers supply chain simplification: we help take complexity out of our customers' supply chains by managing their fastening Bill Of Materials needs. Often, our customers have a large number of specified engineered fasteners that are making up just one or two percent of their overall product value but represent a significant percentage of the total number of parts and we can help manage this complexity – it is our speciality and allows them to focus on their own core competence and technology.

Manufacturing

With our manufacturing capacities and capabilities, we offer the confidence and know-how of threaded fastener technology and a high-quality supply chain that is capable of manufacturing critical components in-house. With CBAM legislation, having a sustainable fastener manufacturing capacity and capability in Europe will create a real competitive advantage in the market. As other markets change and evolve, we will need to adapt this pillar of our value proposition accordingly.

We are already strong in these areas and with greater prioritisation on what we can offer our customers and with the focus on the right market sectors, we can now be more targeted in where and how we do business and develop the right value-creating long-term relationships.

Delivering growth through our business model continued

Creating value for our stakeholders

For our people
Long-term sustainable growth within the One TR culture and environment described through our values ensures we provide a safe, inclusive, enjoyable and high-performing working environment where all our employees have the opportunity to achieve personal growth and fulfilment

For our shareholders
Delivery of our value proposition and strategy enables Trifast to achieve long-term and sustainable shareholder value creation

For our customers
Recognising and focusing on our core competitive strengths and value proposition allows us to engage in long-term, more focused customer relationships, creating mutual and sustainable value through which we deliver on our purpose of sustainably driving our customers' success

For our suppliers
For our trusted network of supplier partners, we enable equally long-term value creation, supporting them with growth opportunities and aligned development of a high integrity and responsible supply chain

For our communities
We are committed to supporting our local communities wherever we operate through our employees and through ensuring that our operations respect and contribute responsibly within them

For our regulators, governments & NGOs
We ensure that our business is compliant and operates responsibly and with the highest ethical standards, respecting and complying with all appropriate laws and regulations

Key performance indicators

These metrics are aligned to our strategic framework and the majority link to Executive remuneration

In FY24, 90% of Executive annual bonus was directly linked to financial KPIs. For further details, please see the Directors' remuneration report on page 123.

Underlying profit before tax (%)[1]

2.8%

2024	2.8%
2023	3.8%
2022	6.3%

Definition
Underlying profit before tax as a percentage of Group revenue

Why we measure it
Our aspiration is to become a more profitable company. Underlying profit before tax margin enhancement is expected to come from margin management, organisational effectiveness, focused growth and operational efficiencies

Our progress in FY24
Underlying profit before tax has reduced by 100bps primarily due to the negative margin impact of reduced sales in the year. Underlying profit before tax was further reduced by higher interest costs due to higher interest rates. The reduction was partially offset by reduced overhead costs during the year resulting from the restructuring initiatives

Working capital as a percentage of revenue (%)[1]

40.8%

2024	40.8%
2023	45.9%
2022	46.5%

Definition
Current assets excluding cash and assets held for sale, less current liabilities excluding liabilities held for sale, restructuring provisions and tax payable as a percentage of Group revenue

Why we measure it
An efficient allocation of capital on the balance sheet drives improved quality of earnings and reduces the additional investment needed to support organic growth. Working capital efficiency remains an ongoing focus

Our progress in FY24
Our working capital as a percentage of Group revenue has reduced significantly from 45.9% as at FY23 to 40.8% as at the year end. This was driven by reduced inventory levels and reducing our stock weeks

Underlying ROCE (%)[1]

5.7%

2024	5.7%
2023	5.4%
2022	8.3%

Definition
Underlying operating profit as a percentage of average capital employed (net assets + gross debt)

Why we measure it
ROCE looks beyond profit to measure how efficiently we are able to generate a return to our investors. Enhancing this metric continues to be a key focus for the Group. Our strategic priorities and capital allocation criteria have been specifically set to support this

Our progress in FY24
The increase in ROCE reflects a reduced net assets base combined with reduced debt, causing an increase of 30bps in FY24 to 5.7%

1. Our KPIs include a number of Alternative Performance Measures (APMs) to provide further information on the Group's financial performance and position. Where we refer to 'underlying', this is defined as being before separately disclosed items (see note 2). For further details on the APMs, see note 32

Key performance indicators continued

CO_2e reduction from FY19 baseline

(31.8)%

2024	(31.8)%
2023	(26.8)%
2022	(27.6)%

Definition
The percentage reduction in our global Scope 1 and 2 greenhouse gas emissions

Why we measure it
We are committed to maintaining high standards of environmental management. We are aligning ourselves with the Science Based Target initiative (SBTi) to ensure our measurements and targets are meaningful

Our progress in FY24
Overall Scope 1 and 2 emissions for FY24 were 5,564 tonnes CO_2e against a target of 6,446. This gives a 31.8% reduction since FY19

Lost time incident rate

0.27

2024	0.27
2023	0.01
2022	0.99

Definition
Lost time incident rate (LTI) for employees is a calculation of the number of accidents leading to work-related absence, multiplied by 200,000 and divided by the number of hours worked

Why we measure it
LTI rate is an industry-wide metric for evaluating significant accidents. As a business, our aim is to reduce the potential for injury, targeting significant injuries is our priority. Our target is zero reportable incidents and to remain below one for our lost time incident rate

Our progress in FY24
The LTI rate for FY24 is 0.27, an increase from FY23. Our target continues to be below 1.0

Three lost time incidents occurred, with two accidents accruing seven days' lost time, and the third, one day's lost time. Hours worked reduced during this reporting period

Employee engagement

6.7

2024	6.7
2023	7.4
2022	7.5

Definition
The overall rating that our employees have scored the Group (out of ten) in our latest Group-wide employee engagement survey

Why we measure it
It is important that we are aware of how our employees are feeling on a number of topics, so we can take any necessary actions to ensure we continue to appropriately support our people

Our progress in FY24
The reduced score from FY23 to FY24 reflects the year of change and business challenge. Throughout FY25, local action plans and progress will be tracked to ensure that we actively listen and engage with our people at all levels

Section 172(1) statement

We are committed to maintaining strong relationships with all our stakeholders to achieve long-term sustainable success and fulfil our purpose

Section 172(1) of the Companies Act 2006 'Duty to promote the success of the company' requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

Matter	Response
a. the likely consequences of any decision in the long term	Read about our Joint Venture on page 23 and our NDC on pages 23 and 27
b. the interests of the company's employees	Read about the NDC and TR Norge sale on page 23 and our people and their safety on pages 39 to 46
c. the need to foster the company's business relationships with suppliers, customers and others	Read about our Joint Venture and TR Norge sale on page 23, customer and supplier engagement on page 25 and customer engagement as part of the strategy development on pages 14 and 15
d. the impact of the company's operations on the community and the environment	Read about the NDC and TR Norge sale on pages 23 and 27, and the being a responsible business section on pages 37 to 54
e. the desirability of the company maintaining a reputation for high standards of business conduct	Read about regulators, governments and NGO's on page 26, suppliers on page 25, supply chain on page 51, ethical business practices on page 53, our ratings and achievements on page 38 and our Audit & Risk Committee report on pages 96 to 103
f. the need to act fairly as between members of the company	Read about our shareholder engagement on page 24 and the directors remuneration report, including the consultation on the New Remuneration Policy, pages 131 to 146 and page 105

The Directors recognise the significance of considering the Company's responsibilities and duties for the long term and are focused on driving the long-term sustainable success of the Company for the benefit of all stakeholders.

We believe that maintaining strong relationships with all our stakeholders is key and that the interests of relevant parties should be considered when making key business decisions that may impact them.

The Board also acknowledges its responsibility to consider the long-term impacts of the Company's decisions on wider society and the environment. The principles underpinning S172 are not only considered at Board level, but are embedded in everything we do as a Company.

Principal decisions

We define principal decisions as both those that are material to the Group, but also those that are significant to any of our key stakeholder groups.

In making principal decisions, the Board takes the course of action that they consider leads to the success of the Group over the long term. When doing so, the outcome from stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct, corporate governance and the need to act fairly between the members of the Company is considered.

The Directors acknowledge that every decision made will not necessarily result in a positive outcome for all our stakeholders but by considering the Group's purpose and values, together with its strategic priorities, the Directors aim to make sure its decision is consistent and predictable.

Section 172(1) statement continued

National Distribution Centre, UK

We reported last year the aim to make Trifast a stronger and more efficient business. One aspect of this was to restructure our UK subsidiary, TR Fastenings Ltd, and establish a National Distribution Centre (NDC). FY24 has seen us open a brand new 75,000ft² facility in the Midlands, which has allowed us to consolidate UK warehouse operations.

The decision to reduce UK regional facilities resulted in the closure of our UK manufacturing site and four warehouses during the year, which regrettably led to redundancies, whilst also creating employment opportunities locally to the NDC site.

Throughout the redundancy process, both Company representatives and employees' representatives worked closely to manage employees' expectations and, where necessary, exits from the business. Given the number of employees who were at risk of redundancy, we submitted the appropriate documents to the relevant UK Government agency and worked with our corporate lawyers, to ensure the process was carried out in accordance with UK law.

Read more about the NDC on page 27

Joint Venture, China

During the year we were delighted to announce the opening of our manufacturing Joint Venture in Guangdong province, China. Along with our partners, Chia Yi Precision Fasteners, this first-class manufacturing facility will enable us to better support our Chinese-based customers.

TR Norge AS sale

Trifast completed the sale of TR Fastenings Norway on 3 April 2024 to Otto Olsen AS. It was concluded that the TR Norway product offering is better aligned to a distributor model and will provide a solid and stable base for the Norway team and enable customers to continue to be supported by a locally aligned business. There were no controversies or negative impacts (including redundancies) from this decision. Otto Olsen AS is now a TR distributor, and we look forward to building a successful relationship with them for many years to come.

We would like to thank colleagues at TR Norway for their hard work, dedication and support over many years. They have helped grow the Norwegian business to be a trusted partner to our customers and we wish all the TR team the very best for the future as they embark on their journey with Otto Olsen AS.

Directorship appointments

FY24 saw new appointments of both Executive and Non-Executive Board members. The recruitment process, supported by Russell Reynolds Associates and Women on Boards, ensures candidates have extensive and relevant experience to add value to their role and the business. As well as experience of the manufacturing industry, transformation and growth within the UK and internationally, we have also increased expertise around workforce engagement and responsible business.

Read more about our Board on pages 82 and 83

Stakeholder engagement

Our people

Why we engage

The Company's long-term success depends on a skilled and motivated workforce. Attracting and retaining the best people for our business is a priority and we are focused on being a responsible and responsive employer. Our people want to work in an environment that is safe, where their physical and mental wellbeing is prioritised. They want to feel that their voice is heard and that everyone is treated fairly and equitably.

How we engage

We promote a safe, supportive and inclusive working environment, allowing our colleagues to bring their 'whole self' to work. Fostering a culture of professional development and employee wellbeing that seeks to align our staff with the strategic goals and objectives in a collaborative manner.

We run annual and thematical engagement surveys, giving employees the opportunity to give their views in a safe and anonymous manner. We also host open sessions allowing employees to raise concerns, views or observations and have their voice.

Our 'Employee Voice' programme allows employees to raise issues or concerns of a whistleblowing nature 24/7, 365 days per year. All such issues raised are treated in the strictest of confidence and with the upmost respect for the people involved.

It should be noted that this year, there have been no controversies with regard to anti-competition, business ethics, bribery and corruption, tax fraud, responsible marketing, privacy or wages and working conditions during the financial year.

Read more about our people on pages 39 to 46

Our newest member of the Board, Laura Whyte, is appointed as the Designated Non-Executive Director for workforce engagement and will be available to all employees globally as she establishes the Board engagement champion more formally during the coming year.

In addition, open discussions are hosted and welcomed from employees during any site visits by Board Directors and Senior Managers.

We have strengthened internal communications, briefings and newsletters throughout FY24 and introduced a monthly video update to all employees from our CEO and a more structured leadership cascade.

Engagement during FY24

Between the Board members, the majority of our sites were visited during FY24, with the new CEO spending his induction period working and visiting sites across our global footprint. The ELT also host regular face-to-face town halls as they attend locations. These are with smaller groups and cover key topics such as safety and engagement.

61% of employees took the time to share their views with us through the annual employee survey, participation being increased by the use of QR codes for our non-computer using workforce. The results provided an average score of 6.7/10, giving management a good indication of employee sentiment within the business, particularly reflecting the UK restructuring.

We also undertook our first employee commuting survey, with 62% of our employees completing. This will enable us to report on Scope 3 carbon emissions for commuting to work for the first time.

Shareholders

Why we engage

The Board is committed to maintaining strong relationships with our shareholders and engages regularly to provide fair, balanced and understandable information, ensuring they understand our purpose, values and strategy and how that promotes the long-term sustainable success of the Company.

Find details of substantial shareholdings of the Company on page 148

How we engage

A structured programme is operated throughout the year where management are available to all shareholders. This includes the AGM, presentations and roadshows, all of which are also available through the Investor Meet Company (IMC) platform. In addition, all Non-Executive Directors have the authority to meet shareholders at any time and meetings can be arranged as required and requested.

We also distribute information through regulatory news releases, our corporate website, Annual Report and investor ESG questionnaires.

Engagement during FY24

Our website updates during FY24 included trading updates, directorate changes and PDMR transactions to ensure all stakeholders, including shareholders, are fully aware of the Group's activities during the year.

Annual results (11 July 2023) and interim results (21 November 2023) were presented both in person and via the IMC platform.

Our AGM was held at the offices of our principal broker, Peel Hunt, in London on 15 September 2023. As well as shareholders attending in person, many also joined online using the Investor Meet Company (IMC) platform. The AGM remains an important opportunity for our shareholders to engage with the Board. In addition, our Executive Directors and Committee Chairs all met current and prospective shareholders and analysts, covering a range of issues, including ESG, audit, risk, remuneration and Company performance.

The Remuneration Committee Chair and Board Chair both engaged with our larger shareholders to discuss and consult on Executive Director remuneration proposals.

Find details of our AGM on page 147

Stakeholder engagement continued

Customers

Why we engage

We believe that building and maintaining effective and trusting relationships generates mutual value and helps us to understand our customers' needs and behaviours. It allows us to deliver relevant products and services, retain customers and attract new ones. It also identifies opportunities for growth and market differentiation, and our ability to demonstrate how we are able to deliver on increasing sustainability expectations and obligations.

How we engage

We maintain long-standing partnerships with our customers, working closely to provide technical and logistics input while developing innovative solutions that align with emerging technologies and legislation. In addition, we offer online platforms encompassing digital marketing, social media and our website.

We provide virtual training to support customers in understanding our range of products and to select the right fastener for each application, including access to a comprehensive online video library tailored to specific products and industries. We also host 'lunch and learn' events, production line walks, on-site or online fastener training workshops and Value Analysis and Value Engineering (VAVE) activities. Customer questionnaires on ESG practices and performance are also completed, including the exacting requirements of SAQ.4 for automotive, JOSCAR for aerospace and defence, and the enhanced criteria of EcoVadis and CDP supply chain questionnaires.

Engagement during FY24

Attending the Lucy Electric, a major smart infrastructure customer, Global Supplier Conference, we were delighted to be awarded the Long-Standing Supplier award in recognition of the continued great service we have offered to them for more than 20 years.

We also won a Honda Malaysia, a major automotive customer, Supply Award, demonstrating that even in challenging economic and supply chain environments, TR is staying focused on servicing our customers with great-quality product.

We hosted several 'lunch and learn' days during the year with key customers, which gave positive feedback and opportunities.

Throughout the year, we attended various exhibitions to showcase our products and services to existing and potential customers:

- Fastener Fair, Stuttgart, Germany
- Battery Tech Expo, Silverstone, UK
- Advanced Engineering, Gothenburg, Sweden
- Automotive CEE Day, Opole, Poland
- Automechanika, Birmingham, UK
- NEAA Expo, Sunderland, UK
- Advanced Engineering, Birmingham, UK
- E-Mobility Asia (EMA), Kuala Lumpur, Malaysia
- Electronics Live, Birmingham, UK
- The Opportunity Series #3, Northumberland, UK

No controversies or material issues arose with this group of stakeholders in the year.

Suppliers

Why we engage

We actively engage with our suppliers to encourage and support them to instil our own business ethics and values within their organisations. Building strong relationships ensures appropriate cost and quality levels of goods and services, security of supply and speed to market. We rely on the high standards of our suppliers to ensure compliance, drive innovation and deliver improvements in our overall sustainability performance.

How we engage

We have an established supplier Code of Conduct covering quality, sustainability and compliance criteria with the expectation for all approved suppliers to sign up to this Code to ensure that their ESG practices meet our expected standards. Both in-person and virtual supplier meetings and conferences are conducted on specific issues, including compliance, quality and efficiency. This includes the Modern Slavery Act, data protection and ESG as a broad subject. We conduct performance reviews and site audits to ensure suppliers continue to meet our expected standards and to build strong, collaborative relationships.

Engagement during FY24

We attended the Fastener Fair in Stuttgart, Germany, which included a meeting room where we conducted 26 supplier meetings over two days.

During a three-week visit to Taiwan we held business review meetings with 28 suppliers.

We visited Vietnam in the search for new suppliers for our business; a successful trip that identified high-quality global suppliers and a new steel supplier for our Asian factories.

We continued to work closely with our suppliers who we require to align to our Quality & Sustainability Agreement and Slavery & Human Trafficking Statement.

To date, the Quality & Sustainability Agreement has been completed by 268 approved suppliers (60.8% of spend) and our Slavery & Human Trafficking Statement has now been signed by 613 TR approved suppliers, which equates to 82.3% of spend.

Our Slavery & Human Trafficking Statement is available on our website at www.trifast.com

During FY24 we worked with our supply chain to ensure compliance with the EU CBAM (Carbon Border Adjustment Mechanism) regulation and began gathering the carbon emission data from our suppliers ahead of reporting CO_2e data in October 2024.

No controversies or material issues arose with this group of stakeholders in the year.

Stakeholder engagement continued

Community

Why we engage
At Trifast we recognise our operations' impact on the regions we operate in, and we are committed to ensuring we interact responsibly. By supporting local initiatives and identifying opportunities, Trifast has the capacity to create significant positive benefits within the communities we operate in.

How we engage
We actively support and encourage our employees in their charitable events and activities all over the world.

We have good relationships with our neighbours and conduct regular visits to each site to ensure we avoid causing nuisance from noise, dust, light and waste control issues. Where opportunities to reduce the impact of our activities occur, we take action.

Community communication and complaints are managed by our ISO14001 environmental management system. Our supply chain includes a large number of small and specialist suppliers. We are keen to support small businesses in our industry and the local economies in which we operate, and so we engage with smaller suppliers where needed to build skills and knowledge, especially in relation to compliance, efficiency and quality.

Engagement during FY24
Mike Broome, Supply Chain Manager at our Charlotte site in North America, has been helping to serve food and run a mentorship programme at a local men's shelter for over three years. The shelter supports men to regain their independence and find employment.

The TR Malaysia team gave gifts and thanks to the local community in celebration of Chinese New Year.

Our employees in Uckfield, UK, supported Taylor-Made Dreams. Founded in 2014 in memory of Taylor Mitchell, the charity makes dreams come true for children with life-limiting illness and provides counselling and holistic therapy sessions for the children and their families. Our colleague, Gail Fay, organised a raffle, with prizes donated by local businesses, and a staff Christmas lunch, raising £1,872 and enabling over 1,500 children, supported by the charity, to be given a voucher.

The team at TR Houston participated in Marine Toys for Tots, a programme that brings the joy of Christmas, through the gift of a new toy or book, to America's disadvantaged children.

Community stories
See our latest news and learn more about Trifast on our corporate website at **www.trifast.com**

Regulators, governments and NGOs

Why we engage
Policies and regulatory changes, including changes to the global political landscape and laws and regulations affecting terms of trade, may provide opportunities and pose risk to our operations. At a local level, we also engage on operating frameworks, environmental standards, worker safety and ethical conduct.

How we engage
Through public disclosures (including the Annual Report and AGM) and specific submissions (such as those relating to packaging and controlled materials within our products), we engage with government departments in countries where we operate.

TR is an active member of EFDA (European Fastener Distributor Association) which represents the interests of fastener distributors at European and global level.

TR UK is also an active member of the British & Irish Association of Fastener Distributors (BIAFD) which supports and represents more than 100 industrial fastener distributors throughout the United Kingdom and the Republic of Ireland. In addition, our subsidiaries around the world are actively engaged with their regional associations.

Engagement during FY24
During FY24, we continued to make all necessary compliance declarations and submissions including market announcements, compliance disclosures related to packaging materials, greenhouse gas emissions and controlled materials within our products (including SCIP, RoHS and REACH).

TR is working in collaboration with EFDA to streamline the EU CBAM reporting process. We are also working with EFDA lobbying for simplified reporting process.

We continue working closely with BIAFD regarding the UK CBAM regulation which is due to start in January 2027.

EFDA and BIAFD working together on the recent Russian sanctions on iron and steel assisted simplified movement of goods between the EU and the UK.

National Distribution Centre

TR UK successfully opened our National Distribution Centre, a brand new 75,000ft^2 facility

Located in Walsall in the Midlands, the NDC implementation was part of an initiative to consolidate UK sites to create a more efficient and modern working environment.

As a wider part of this initiative, the manufacturing site and warehouse in Uckfield, East Sussex, was closed, with the buildings and machines sold to a third party, providing additional cash flow for the Company to invest in its future infrastructure.

After agreeing the warehouse design, the UK team worked at pace to fit out the NDC and make it operationally ready. The Uckfield warehouse stock was transferred in September 2023, coinciding with the sale of that site, and the first stock was invoiced from the NDC the same month. The Board is proud of everyone who made this possible.

During H2 FY24, stock from the Tipton, West Midlands and Scotland sites were also transferred to the NDC, with the Manchester move completed in June 2024.

During the period of stock transfers into the NDC, the UK teams made every effort to ensure an efficient process in order to minimise disruption to our customers and, despite some initial challenges, service levels are now in line with those of our previous locations.

Phase one of the NDC was focused on reducing our footprint and consolidating locations. Phase two will see the Company review opportunities to streamline its operations through more efficient ways of working, process standardisation and potential automation.

This first-class facility offers a modern and vibrant working environment to our staff which will better enable us to develop our people, with space and plans for learning and development. We also have the UK engineering and innovation centre based here that we look forward to inviting our customers to.

The NDC has been designed for growth and we are confident this will result in exciting developments for our customers, and signals our intent and capability to modernise our business, making it fitter and leaner for years to come and a success to be proud of.

Financial review

Kate Ferguson
Interim Chief Financial Officer

"We are especially proud of the consolidation of the National Distribution Centre in the Midlands and the successful completion of the Atlas project"

As highlighted in Iain's CEO review (see page 6), we faced various challenges but also celebrated some significant achievements as we commenced our Recover, Rebuild, Resilience journey in FY24.

Recover

We have significantly stabilised our balance sheet through control of inventories and subsequent reduction of net debt.

Rebuild

Despite the challenging year and revenue decline, we made gross and EBIT margin improvements through our commitment to deliver better gross margins and offset inflationary pressures through a reduction in non-operating headcount.

We are especially proud of the consolidation of the National Distribution Centre in the Midlands and the successful completion of the Atlas project with the implementation of D365 in Houston, Texas.

FY25 will see a greater focus on efficiency targets during our Rebuild phase. This will drive our strategic mid-term commitment to achieve 10% EBIT margin.

Resilience

Beyond FY25, we see significant opportunity for sustainable growth. We have refreshed our strategy and are committed to executing it successfully.

FY24 revenue declined by (2.7)% to £237.9m (AER: (4.4)% to £233.7m; FY23: £244.4m). It was a challenging year with performance hampered by volatile demand in the distribution business and customer destocking activity.

Gross margin was 25.5%, 20bps higher than FY23 (AER: 25.4% and 10bps higher than FY23).

Pricing initiatives countered the impact of cost inflation (on raw materials, freight and supply of energy), and higher-than-anticipated costs to consolidate the UK distribution into one National Distribution Centre (NDC). We expect most of the benefits for the NDC will be realised in FY25.

Underlying operating profit was £12.7m, £0.7m higher than last year (FY23: £12.0m). On an AER basis it was in line with the last year.

On 2 June 2023, the Group signed a new revolving credit facility (RCF) agreement, supported by a UK Export Finance – Export Development Guarantee (UKEF – EDG) agreement, providing a combined facility limit of £120.0m. Interest margins on the new facilities increased within a range of between 2.1%-3.6%, in line with market conditions.

Unless stated otherwise, amounts and comparisons with prior year are calculated at constant currency (Constant Exchange Rate (CER). Where we refer to 'underlying' this is being defined as being before separately disclosed items (see note 2 and 32).

Financial review continued

Resilience continued

The higher interest and average borrowings resulted in a £2.7m increase in net finance expense which reduced the underlying profit before tax to £7.2m (AER: £6.5m; FY23: £9.3m).

As a response to the higher interest rates, the Group focused efforts on improving working capital to reduce net debt.

Consequently, adjusted net debt reduced to £21.0m (FY23: £38.0m) primarily due to the significant reduction in gross inventory to £82.3m from £98.7m in FY23.

The leverage ratio under the new banking arrangement was 1.3x (FY23: 2.2x under old facility). This remains within the covenant range of <3.0x. An addendum to our interest cover covenant was signed in May 2024 and the ratio was 3.6x as at 31 March, within the temporary covenant range of 3.5x. Headroom under the new facility was £76.7m. Details of the refinancing arrangement are provided later in note 26 of the financial statements.

Constant currency comparison

FY24 saw some strengthening of the British Pound against the Singapore Dollar, Taiwanese Dollar, Swedish Krona, Chinese Renminbi, Malaysian Ringgit and US Dollar. This reduced the value of AER sales by £4.2m and AER underlying profit before tax by £0.7m on translation into British Pounds.

Unless stated otherwise, amounts and comparisons with prior year are calculated at constant currency (Constant Exchange Rate (CER)).

Our Group performance

Underlying measures	**CER FY24**	CER change	**AER FY24**	AER change	AER FY23
Revenue	**£237.9m**	(2.7)%	**£233.7m**	(4.4)%	£244.4m
Gross profit %	**25.5%**	20bps	**25.4%**	10bps	25.3%
Underlying operating profit (UOP)[1]	**£12.7m**	5.7%	**£11.9m**	(0.3)%	£12.0m
Underlying operating profit %[1]	**5.3%**	40bps	**5.1%**	20bps	4.9%
Underlying profit before tax[1]	**£7.2m**	(22.2)%	**£6.5m**	(29.8)%	£9.3m
Underlying diluted earnings per share[1]	**—**	—	**1.62p**	(68.4)%	5.13p
Adjusted leverage ratio[1,3]	**—**	—	**1.3x**	(0.9)x	2.2x
Adjusted net debt[1,2]	**—**	—	**£(21.0)m**	£17.0m	£(38.0)m
Return on capital employed (ROCE)[1]	**—**	—	**5.7%**	30bps	5.4%
GAAP measures					
Operating (loss)/profit	**—**	—	**£4.6m**	n/a	£(0.0)m
Operating (loss)/profit %	**—**	—	**2.0%**	200bps	(0.0)%
(Loss)/profit before tax	**—**	—	**£(0.8)m**	70.4%	£(2.7)m
Diluted (loss)/earnings per share	**—**	—	**(3.29)p**	(55.2)%	(2.12)p

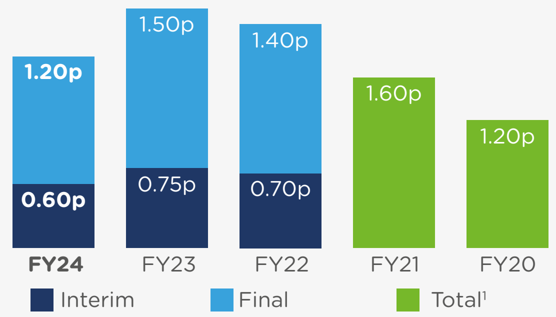
1. Before separately disclosed items (see notes 2 and 32)
2. Adjusted net debt is stated excluding the impact of IFRS 16 Leases. Including right-of-use lease liabilities, net debt increases by £(18.4)m to £(39.4)m (FY23: net debt increases by £(15.8)m to £(53.8)m)
3. Adjusted leverage ratio is calculated using adjusted net debt against adjusted underlying EBITDA (see note 32)

Financial review continued

Dividend policy

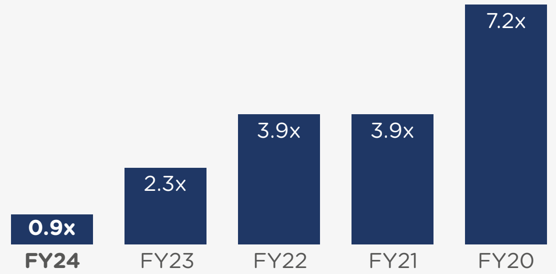
As a Board we are proposing the final dividend in FY24 at 1.20p (FY23: 1.50p). This, together with the interim dividend of 0.60p (paid on 11 April 2024), brings the total for the year to 1.80p per share (FY23: 2.25p). The final dividend, subject to shareholder approval at the AGM, will be paid on 11 October 2024 to shareholders on the register at the close of business on 13 September 2024. The ordinary shares will become ex-dividend on 12 September 2024. The underlying dividend cover is currently 0.9x, the Board considers that an appropriate future level of underlying dividend cover is in the range of 3.0x to 4.0x.

Dividend progression

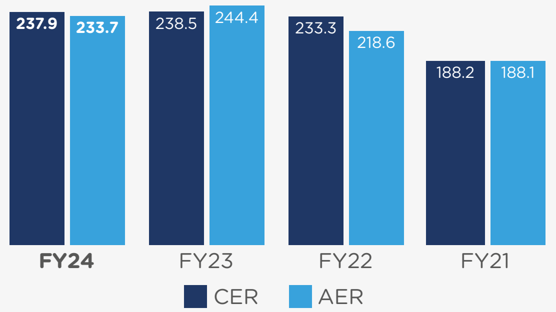


1. In FY20 and FY21, one dividend payment was made, rather than an interim and final, due to the impact of Covid-19

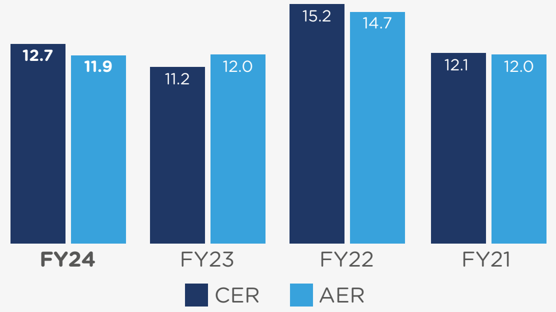
Five-year dividend cover



FX effects on revenue (£m)



FX effects on underlying operating profit (£m)



Financial review continued

Revenue

Revenue in FY24 decreased by 2.7% to £237.9m (FY23: 244.4m), driven by decline in distribution sales in the UK and market slowdown in Asia, leading to customer destocking, offset by growth in light vehicles across all regions.

Revenue by sector (CER)

Europe has seen revenues increase 3.8% to £88.9m (FY23: £85.7m), driven by the uplift in the light and heavy vehicle sectors in Sweden, helped by new and existing customers transitioning to EV technology, and during FY24, we successfully completed the transfer of the European distribution business from the UK to TR Germany. Hungary continues to be impacted by the current downturn in customer demand and the ongoing Ukraine conflict, whilst our manufacturing facility in Italy is starting to see some recovery in legacy business and new business opportunities from manufacturing investment.

In Asia, we have reported a 9.3% decrease in revenue to £54.8m (FY23: £60.4m), mainly driven by the distributor sector and the continuing softness in the Asia market. China is still experiencing low consumer demand following the Pandemic shutdowns and the general macroeconomic climate. The result also appears less favourable in comparison to TR Taiwan's outstanding performance in FY23. There was however a significant uplift in the light vehicle sector in Malaysia and Thailand.

UK & Ireland's revenue reduced by 10.5% to £77.5m (FY23: £86.7m) due to reduced distribution sales as a blend of volume (destocking and demand), lower market pricing and the completed transfer of distribution business to TR Germany.

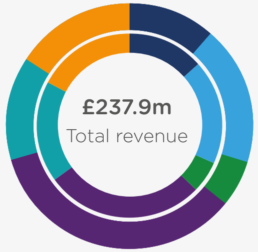
The decline has been partially offset by revenues from contract OEM customers from new wins secured in FY23.

North America demonstrates continued growth, mainly in the light vehicle sector, offset by declines in E,T&I and general industrial sectors, resulting in revenue of £30.2m (FY23: £29.9m).

Gross profit (CER)

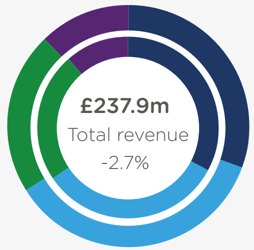
Gross profit was 25.5%, 20bps above last year (FY23: 25.3%), driven by pricing initiatives which offset the impact of inflation and reduced revenues.

Revenue by sector (CER)



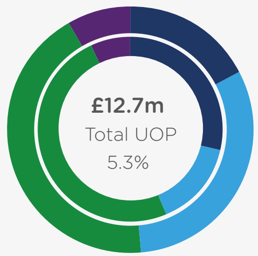
- General industrial **£27.2m** | **-17.4%** | (FY23: £32.9m)
- Health & home **£43.9m** | **-2.7%** | (FY23: £45.1m)
- Heavy vehicle **£14.5m** | **+8.0%** | (FY23: £13.4m)
- Light vehicle **£82.3m** | **+21.7%** | (FY23: £67.7m)
- Distributors **£32.9m** | **-24.3%** | (FY23: £43.4m)
- Energy, tech & infrastructure **£37.1m** | **-11.4%** | (FY23: £41.9m)

Revenue by region (CER)[1]



- UK & Ireland **£77.5m** | (FY23: £86.7m)
- Europe **£88.9m** | (FY23: £85.7m)
- Asia **£54.8m** | (FY23: £60.4m)
- North America **£30.2m** | (FY23: £29.9m)

UOP (CER)[2]



- UK & Ireland **£3.4m** | (FY23: £5.5m)
- Europe **£6.1m** | (FY23: £2.9m)
- Asia **£8.4m** | (FY23: £9.5m)
- North America **£1.6m** | (FY23: £1.3m)

1. Revenue by regions include intercompany sales
2. After deducting central costs

Financial review continued

CER underlying operating profit

The underlying operating profit (UOP) increased to £12.7m with a UOP margin of 5.3% (FY23: 4.9%).

Underlying operating profit by region (before allocating separately disclosed items)

	FY24		FY23	
	Profit/(loss) £m	**Margin %**	Profit/(loss) £m	Margin %
UK & Ireland	**3.4**	**4.4%**	5.5	6.4%
Europe	**6.1**	**6.9%**	2.9	3.4%
Asia	**8.4**	**15.4%**	9.5	15.7%
North America	**1.6**	**5.4%**	1.3	4.2%
Central costs	**(6.9)**	**n/a**	(7.2)	n/a
Group	**12.7**	**5.3%**	12.0	4.9%

In Europe, UOP margins increased 350bps to 6.9% and operating profit improved to £6.1m (FY23: 3.4% and £2.9m). In addition to the transfer of the distribution business from the UK to TR Germany, there was higher margin in Sweden and significant margin improvement in TR Italy resulting from actions last year to manage rising costs, price increases and improved plant utilisation.

In the UK & Ireland, UOP margins decreased from 6.4% to 4.4% with UOP at £3.4m (FY23: £5.5m). Decline in distribution sales was the main contributor, offset by improvement in the light vehicle sector following the reduction in semiconductor shortages.

The lower UOP also included the transfer of the European distribution business to Germany and was partially offset by the delivery of costs savings from the NDC.

UOP in Asia has decreased from £9.5m to £8.4m at a UOP margin of 15.4% (FY23: 15.7%). Consumer demand in China was low in our second half year and overall general market softness impacted across the Asia region. During the period, we did however see a significant uplift in light vehicle activity at TR Malaysia and Thailand, together with price increases in TR Malaysia.

North America UOP increased £0.3m to £1.6m, a 5.4% margin (FY23: £1.3m, 4.2%). The improvement was driven by new contract wins in the light vehicle sector across several vehicle models. Production started on new models in the second half of FY24 at a higher margin, while production ended for several older lower-margin models. The other sectors general decline was driven by customers burning through their excess stock following the Pandemic.

Central improved to a loss of £6.9m (FY23: £7.2m), driven by operational efficiencies and reduction in headcount as part of a series of self-help initiatives.

Financial review continued

Operating profit (at AER)

After adjusting items of £5.5m (FY23: £10.2m) and amortisation of acquired intangible assets of £1.7m (FY23: £1.8m), operating profit increased to £6.6m (FY23: <£0.1m).

Separately disclosed items include:

	FY24 £000	FY23 £000
Acquired intangible amortisation	**(1,780)**	(1,798)
Project Atlas	**(2,079)**	(1,722)
Restructuring and related charges	**(1,491)**	(4,235)
Impairment of non-current assets	**(1,964)**	(2,926)
Settlement for loss of office	**–**	(1,050)
Aborted acquisition costs	**–**	(261)
Total	**(7,314)**	(11,992)

- Acquired intangible amortisation £1.8m (FY23: £1.8m)
- Project Atlas £2.1m (FY23: £1.7m) relating to the implementation of D365 across selected sites and impairment of 'customer engagement' software
- Restructuring and related charges £1.5m (FY23: £4.2m) which includes £2.4m of set-up costs for the National Distribution Centre in the Midlands (UK) and £1.1m costs associated with restructuring programmes initiated to reduce headcount, offset by the £2.0m profit on the sale of the freehold land and building at Bellbrook Park, Uckfield
- Impairment of non-current assets £2.0m (FY23: £2.9m) relates to the TR Hungary cash generating unit. FY23 related to impairment of goodwill at TR Italy

Details of all adjusting items are shown in note 2 to the consolidated financial statements.

Administrative costs before separately disclosed items (at AER)

	FY24 £000	FY23 £000
Segment administrative costs	**34,409**	36,528
Central administrative costs	**6,912**	7,200
Total administrative costs before separately disclosed items	**41,321**	43,728

Administrative expenses decreased by 5.5%, primarily due to the reduction in non-operating headcount, offset by the impact of inflationary pay pressures.

Net financing costs

Net interest costs have increased to £5.4m (FY23: £2.7m), primarily due to base interest rates increasing (EURIBOR 1m in FY23 ranged from c.(0.5)% to 3% vs EURIBROR 1m FY24 ranging from c.3%-4%), amortising of arrangement fees from signing the new finance facilities agreements as well as the margin increasing under the new finance facilities (see net debt section). This is offset slightly by a reduction in average borrowings (excluding IFRS 16 and arrangement fees) in the year to £58.6m (FY23: £66.1m). The increase in net interest costs significantly reduced headroom on the interest cover covenant (>4.0x). With the support of lenders and UKEF, we temporarily reduced interest cover to 3.5x for December 2023 and March 2024 quarterly covenant periods and post year end formally agreed to amend the interest cover covenant to:

- Up until 30 September 2025 covenant period – 3.25x
- 31 December 2025 – 30 September 2026 covenant periods – 3.5x
- Thereafter it will return to the original 4.0x levels

At 31 March 2024, interest cover was 3.6x (FY23: 7.8x). Forecast projections show headroom increasing on the covenants as we see the higher interest charge months fall out of the rolling 12-month calculation. There is also increased focus on cash efficiency to pay down borrowings and reduce interest charge with additional projects being considered in FY25 to further enhance cash efficiency.

Financial review continued

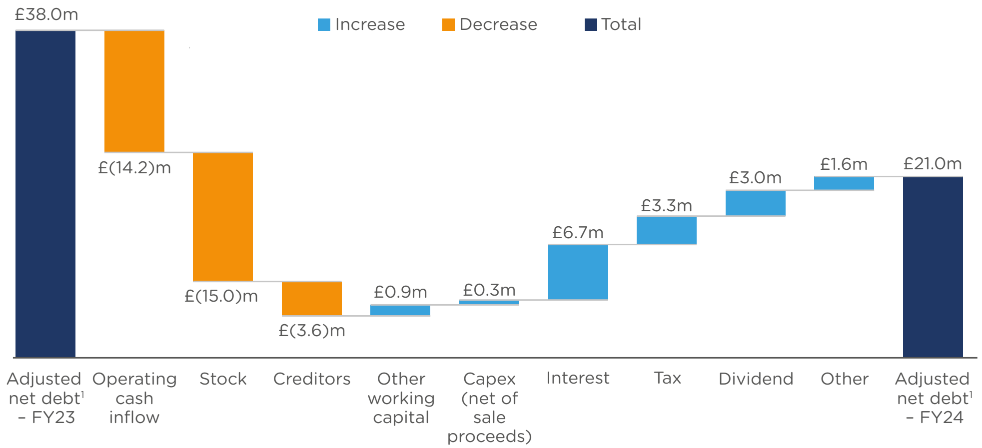
Operating cash flow (AER)

The Group has seen excellent operating cash flow in 2024. Operating cash flow from operations was £31.9m (FY23: £6.5m), equating to a cash conversion of underlying EBITDA of 173.0% (FY23: 33.6%). The improvement was driven by the material reduction in working capital: net inventory reduced by £15.0m (FY23: £0.2m) and trade creditors increased by £3.6m (FY23: decreased by £11.7m).

Net debt (AER)

The Group's adjusted net debt has decreased by £17.0m to £21.0m (FY23: £38.0m) supported by an operating cash inflow before working capital of £14.2m. This was partially offset by interest payments of £6.7m (including arrangement fees of £1.5m on the refinancing in the year), tax payments of £3.3m and dividend payments of £3.0m. The net spend on property, plant, equipment and intangibles was only £0.3m as acquisition of PPE (£4.6m), primarily relating to our investments in the NDC and in our manufacturing plant in Italy, were significantly offset with proceeds from sale of PPE (£4.2m) relating to the sale of the Uckfield premises in the year.

Adjusted net debt bridge



1. Adjusted net debt is stated excluding the impact of IFRS 16 Leases. Including right-of-use lease liabilities, net debt increases by £(18.4)m to £(39.4)m (FY23: net debt increases by £(15.8)m to £(53.8)m)

Banking facilities

The Group signed new banking facilities in June 2023 to support our focus on growth. The two agreements provide a total facility limit of £120.0m, split between an RCF (£70.0m) and a UKEF Export Development Guarantee (EDG) (£50.0m). Interest margins have increased in line with market conditions and will now be within a range of 2.10-3.60% (compared to 1.10-2.20% under the previous RCF).

Post year end, KBC Bank NV (KBC) became a lender as part of the RCF agreement. The facility commitment remained at £70.0m as an existing lender transferred part of their commitment to KBC. This commitment will support the Group's treasury strategy and plans in Eastern Europe.

Taxation (at AER)

The underlying effective tax rate (ETR) is high at 66.6% (FY23: underlying effective tax rate: 25.6%). The higher ETR in FY24 is primarily related to deferred tax assets not recognised on tax losses and reversal of deferred tax assets on carried forward losses primarily within the UK region.

Subject to future tax changes and excluding prior year adjustments, our normalised underlying ETR is expected to remain in the range of c.20-25% going forward.

Underlying diluted earnings per share (AER)

Reflecting the challenging performance as explained above, our underlying PBT at AER is down 29.8% to £6.5m (FY23: £9.3m). This, coupled with the increase in our underlying effective tax rate, has resulted in a reduction in underlying diluted earnings per share (EPS) of 68.4% to 1.62p at AER (FY23: 5.13p).

Return on capital employed (at AER)

The Group ROCE increased 30bps to 5.7% (FY23: 5.4%) reflects a reduced net assets basis combined with reduced debt. Average profit was in line with last year.

As at 31 March 2024, the Group's shareholders' equity decreased to £124.2m (FY23: £135.9m). The £(11.7)m reduction reflects a decrease in retained earnings of £(4.6)m, a movement on own shares held in reserve of £0.8m, and a foreign exchange reserve loss of £(4.2)m.

At 31 March 2024, the number of ordinary shares held by the Employee Benefit Trust (EBT) to honour future equity award commitments was 1,373,663 shares (FY23: 1,896,098 shares).

Shares in issue as at 31 March 2024 was 136,114,675 (excluding EBT: 134,741,012).

Financial review continued

Outlook

Whilst the macroeconomic environment continues to present short-term challenges, current trading remains in line with management expectations. We continue to have a strong focus on cash generation to reduce net debt and working capital and are driving EBIT improvement through margin management, focused growth, organisational effectiveness and operational efficiency.

Operationally, we have been setting ourselves up for growth when the market recovers by rightsizing the business through a restructuring programme, the completion of the Atlas Project and the consolidation of the NDC.

We are ensuring our focus remains on core business with the disposal of the TR Norway business in April 2024 and the establishment of a China JV to support our strategy for manufacturing and distribution in China.

We believe there is significant scope for improvement in the mid-term and are confident we will be more profitable, effective and efficient in FY25.

The macroeconomic and geopolitical environment remains volatile, and we continue to be challenged by inflationary pressures. We are confident we have the right strategy to capture margin upside and deliver sustained growth. We believe there is significant opportunity to return performance to historic levels.

Trifast has made strong progress in managing working capital to reduce its net debt through working capital initiatives and remains focused on driving profit initiatives to improve our margins.

Kate Ferguson
Interim Chief Financial Officer

Non-financial and sustainability information statement

We aim to comply with the non-financial reporting requirements contained in Sections 414CA and 414CB of the Companies Act 2006. The table below, and the information it refers to, is intended to help stakeholders understand our position on key non-financial matters. This builds on existing reporting that we already do under the Guidance on the Strategic Report (UK Financial Reporting Council).

Non-financial reporting matter	Policy/code	This report
Environmental matters	• Environmental Policy • Climate-related Financial Disclosures	Page 53 Pages 55 to 65
Employees	• Code of Business Conduct • Business Ethics and Responsible Behaviour Policy • Harassment Policy • Whistleblowing Policy • Health and Safety at Work Policy • Privacy Notice • Freedom of Association and Collective Bargaining Policy • Equal Opportunities Policy	Page 53
Social matters	• Supporting charities • Charitable and Political Donations Policy	Pages 53 and 149
Respect for human rights	• Slavery & Human Trafficking Statement • Supplier Code of Conduct • Working Conditions and Human Rights Policy	Pages 53 and 54
Anti-corruption and anti-bribery matters	• Anti-Bribery Statement and Policy • Fair Competition and Anti-Trust Policy • Whistleblowing Policy • Trade Compliance and Sanctions Policy	Pages 53 and 54
Policy embedding, due diligence and outcomes		Page 53
Description of principal risks and impact of business activities		Pages 67 to 75
Description of business model		Pages 18 and 19
Non-financial key performance indicators		Page 21

Being a responsible business

What's in this section?

Being a responsible business continued

People

Our people are the backbone of Trifast and will continue to be central in our approach as we Recover, Rebuild and establish Resilience

Planet

We are committed to reduce our impact on the environment and look for innovative ways to achieve this

Principles

Governance continues to be at the forefront of everything the Company does, and the Board recognises the continuing focus given to all aspects of governance from our stakeholders

Ratings and achievements

We have continued to respond to requests from customers and investors on our carbon emissions and management approach over the year. We have completed CDP (supplier and investor) and EcoVadis submissions during FY24 and will continue to do so annually.

EcoVadis

EcoVadis is a globally recognised assessment platform that rates businesses' sustainability based on four key categories: environmental impact, labour and human rights standards, ethics and procurement practices.

We were awarded a bronze award by EcoVadis in recognition of our sustainability achievement during FY24. The overall score was 55/100, meaning we are in the 62nd percentile of all companies rated by EcoVadis, meaning Trifast is still above industry level. We have set our targets through our 'Road to Gold' initiative.

CDP

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

During FY24 we were pleased to retain our CDP climate change score of C. We continue to proactively complete our CDP questionnaires for both investors and as part of the supply chain for our customers.

JOSCAR

JOSCAR is a collaborative tool used by the aerospace, defence and security industry to act as a single repository for pre-qualification and compliance information. Using JOSCAR can determine if a supplier is 'fit for business'.

Our customers in these industries are signed up to the tool and able to view the ESG scoring given to us by JOSCAR[1].

1. Joscar relates to TR UK only

Being a responsible business continued

Our people

Introduction

As a global employer operating in 16 countries, Trifast recognises the important role and contribution our people make to the overall success of our business. The global team of c.1,200 colleagues are supported by a further c.50 contractors, who collectively have continued to deliver excellent service to our customers through a year of turbulence as we entered the recovery stage of our business plan.

From our leadership through to the wider organisation, many of our colleagues have seen changes during this year. Some of the key changes include the appointment of a new Chair and CEO, allowing us to refresh our focus on the strategic direction and priorities for Trifast. We have also seen a change of CFO and reconfiguring of the Executive Leadership Team to reflect the strategic direction. Even with all the internal changes, throughout the year we have continued to ensure that our professional disciplines, standards and customer service levels have been maintained, a testament to the local teams who continue to put high-quality service at the forefront of their thinking.

As part of being a responsible business, it is important that our culture reflects strong values that underpin our ways of working, giving due consideration to our global footprint, our local colleagues and the communities where we operate.

> Our people are the backbone of Trifast and will continue to be central in our approach as we Recover, Rebuild and establish Resilience

Over the year, we have launched a refreshed set of values, which will be further embedded through training and ownership to ensure that we interact with each other, and our wider stakeholders, in a courteous and professional manner at all times.

We continue to focus on the skills, knowledge and competencies needed to meet the current and future business needs. With our attraction and retention approach, we are investing in the talent needed to achieve success going forward. This proved effective as we mobilised the National Distribution Centre (NDC), appointing a highly skilled and engaged team who will help us go from strength to strength.

Restructuring

NDC

With the opening of the NDC in Walsall, UK, we created job opportunities within the local community but we also saw a number of our colleagues make the move with the business retaining knowledge and experience through this changeover. The impact of opening the NDC did mean the closure of our UK manufacturing facility and several of our warehousing facilities which regrettably led to job losses.

Coupled with this change was the need to align our cost base to better reflect the position of the business. It is always regrettable to lose colleagues who have given so much to the growth story of Trifast and we would take this opportunity to thank those that left us for their hard work and contribution to the business and to wish them every success in the future.

CEO appointment

Iain Percival joined as CEO in September 2023 and undertook to engage and participate in the business to fully understand and appreciate the challenges faced at a local level.

As part of his induction, Iain worked shifts at the newly opened NDC donning his boots and hi-vis jacket, moving products and completing customer orders. This provided him with a great insight into the daily challenges of the new distribution centre, while also giving him the opportunity to engage with the team who were fundamental in us achieving a successful opening. Iain valued the insights this gave him into the work of our colleagues in the warehouse environment and it will help guide how we engage and communicate with them going forward.

Regional approach, with central support

Towards the end of the year, we commenced the restructuring of our broader business moving to a regional structure covering the UK & Ireland, Europe, Asia and North America.

We are delighted to have in place the leaders who will ensure the delivery of the regional objectives, aligned with the Recover, Rebuild, Resilience business strategy. In addition to the regions, we also established the key central enabling functions that will enable the successful workings across the regional infrastructure and ensure professional accountability throughout the organisation. The central enabling functions include Finance, Commercial, HR, Technology, Company Secretariat and Environment, Health & Safety. Most of this group makes up the Executive Leadership Team (ELT), read more on page 84.

Clarity of direction

We have taken many steps to not only confirm and validate the strategy for the future of Trifast, but also to engage the workforce. Communicating the strategy, the next phase of our journey and how we want to work together to be successful has resonated with our employees who have welcomed the clarity and engagement.

The communication clearly sets out the strategic imperatives, the refreshed values and the link to the personal objectives, giving clear line of sight to the overall business objectives. Setting SMART objectives throughout the leadership and management communities will allow us to measure and drive key milestones in our transformation.

Being a responsible business continued

Our people continued

Refreshed values

With the launch of the new values, we wish not only to deliver our strategic objectives financially, but also operate our business in a manner that builds resilience and strong foundations for the future.

For this reason, the values will underpin how we operate, ensure that we strive to be a business that not only achieves success, but does so in the right way.

As we move forward, values will be reinforced, trained and embedded across our organisation, defining for our employees, not only how we wish to work with our customers, suppliers and communities, but also how we wish to work with each other and build a healthy, engaging working environment that makes TR a great place to work.

People strategy

As part of our rebuild programme we will review and align our global people plan to the strategic imperatives and objectives for the coming years.

This review will include due consideration being given to the One TR approach, culture, global presence and the skills and competencies we will need to meet our current and future business needs. The people plan will review and address all the touch points from hire to retire to ensure that we have the right systems, processes, engagement tools, development and support in place. Our aim is to enable our colleagues to be the best they can be in their current roles, but also achieve their full potential.

Our people plan will see a stronger, focused and engaged workforce with skills to achieve the future TR resilience stage of our journey.

Employee engagement

We ran our employee engagement survey using the 'Happiness Index'. The survey focused on activities and areas that will make a real difference to the working lives of our employees.

The results of the FY24 survey gave an average score of 6.7/10 (FY23: 7.4).

Although the score reduced, it was expected given the restructuring that primarily impacted the UK, where we have the largest workforce.

Accepting we need to continue our efforts to engage, motivate and support our colleagues, each location and department head received the breakdown of the results for their team, with suggested actions to improve any low scores. Throughout the year, local action plans and progress will be tracked to ensure that we actively listen and engage with our people at all levels.

With the appointment of Laura Whyte, we will have an enhanced Board Employee Champion Programme. Given Laura's extensive experience in the people function, she will lead the Board Employee Champion approach with a structured programme of engagement across our employee base as we go into next year.

Laura will be supported by other Board members and the ELT, ensuring regular visits to sites with open sessions for our employees to voice any concerns, raise questions or bring to the Board's attention things that would be of interest.

Our 'Employee Voice' programme provides all employees with the opportunity to contact us 24/7, 365 days per year, should they have concerns that are of a whistleblowing nature. This programme is anonymous but has the option of a feedback loop for employees who require a specific response or would otherwise be a witness to any wrongdoing. The Employee Voice system is regularly monitored so that we can act swiftly and appropriately to any concerns raised.

It should be noted there have been no controversies with regard to anti-competition, business ethics, bribery and corruption, tax fraud, responsible marketing, privacy or wages and working conditions during the financial year.

Being a responsible business continued

Our people continued

Ethical business practices

At Trifast we are aware of the economic and community impact we have across our global footprint.

In many of our locations, we have a direct positive impact by providing secure employment and, in some locations, we are one of the largest local employers. We also seek to work with local suppliers, further supporting the local economy and the communities.

Many of our employees and our sites engage in charitable initiatives and local events, seeking to create a positive impact on our teams and our communities. This year we have started a volunteering programme for our employees to take paid time off to engage in worthy causes within their local areas as we truly see the benefits this brings to all those impacted by the programme. We hope that this will have positive uptake across all our sites and teams, meaning good causes will benefit.

Employee offering

We seek to offer our employees competitive benefits and reasonable rates of remuneration which we monitor to ensure local legal compliance and alignment with market practices.

Fair pay

To continue to attract and retain high-calibre individuals and continue our efforts to become an employer of choice within our sector, we offer a competitive reward package that balances fairness to our colleagues as well as responsible use of shareholders' funds. Our pay principles are as follows:

- Support the recruitment and retention of high-quality colleagues
- Enable us to recognise and reward colleagues appropriately for their contribution
- Help to ensure that decisions on pay are managed in a fair, just and transparent way
- Create a direct alignment between our Company culture and our reward strategy

Through the application of these principles, we have been able to attract industry specialists with global experience at senior levels, as well as staff at the NDC with the appropriate skills to ensure we operate effectively.

The Remuneration Committee reviews the remuneration structure for management level tiers below the Executive Directors and pay outcomes for these roles. The Committee also has oversight of the wider workforce pay and terms to ensure consistency and fairness of approach, locally and globally.

See our TRUK gender pay gap report on our website at www.trfastenings.com

Benefits

Trifast offers a comprehensive suite of benefits to employees across all regions, tailored to the requirements of each country.

We keep our employee benefits under review to ensure that our offering is appropriate and relevant.

Staff sickness

We continue to monitor and manage sickness as it is often an indicator of engagement and areas for improvement.

During the year, number of days lost due to employee sickness was 1.5% of total days worked across TR Fastenings UK and Trifast plc. This remains above average for the sector.

Being a responsible business continued

Our people continued

Staff turnover

With the exception of those leaving by virtue of redundancy, we have maintained a market average for turnover in many of our countries.

For those leaving, we have an off-boarding system which allows us to capture critical information which we can use to address areas of improvement. The off-boarding module enables interaction in a confidential and secure manner that ensures we capture exit interviews which are often far more open and insightful than simple engagement tools.

Even with our turnover and the restructuring, our average length of service remains high at 10.6 years. The dedication and commitment of many of our long-serving employees is something we are proud of and they will continue to help engage and support new colleagues, not only to understand the world of fasteners, but also how things work in Trifast. We are proud of our history and our teams and want to take the next stage of our journey as a collective group engaged and empowered to deliver on our strategic objectives.

Staff changes

Female | **19%**
Male | **77%**
Not specified | **4%**

Female | **18%**
Male | **78%**
Not specified | **4%**

Those employees in the not specified category all started and left during the year.

Lost days to total days worked 1.5% (FY23: 1.6%).

Talent development and succession planning

Talent management is one of the key drivers of our success, and our learning and development programme is crucial to upskilling our people, retaining talent, and attracting new candidates in an increasingly competitive marketplace.

We are totally committed to the development of all our employees across the globe, offering them formal and informal learning, as well as the opportunity to gain industry-recognised qualifications.

Our talent management and succession planning is focused on senior and business-critical roles, and is the subject of review in light of the organisational changes recently undertaken. The initial priority is the identification of immediate internal successors for those critical positions, whilst also seeking to ensure that we have an adequate pipeline of talent that will fulfil future needs.

With the strategic priorities identified, it has been necessary to bring in additional support and expertise in certain key areas. We have chosen to appoint consultants who will upskill and impart knowledge to our internal teams, with the intent of strengthening the talent pool and competency base across the wider organisation.

It has also been necessary to appoint interim resource with specific skills in transformation to profile, plan and establish the necessary project cadence, Key Strategic Indicator's (KSI's) and trackers to ensure we deliver on our commitments.

The interim resource will focus on clearly stated targets related to the transformation programme and will not be part of the permanent headcount going forward unless appointed to a budgeted position.

Being a responsible business continued

Our people continued

Learning and development

We continue to have a very strong learning and development culture, supported by online tools and programmes that provide content and learning for all. With a well-developed commitment to learning, we have identified skills gaps and created personal learning plans for our employees which will be delivered over the coming year. The year ahead will major on 'Safety First', a campaign to ensure safety is truly embedded in our culture.

Our internal online Learning Management System (LMS) has provided us with the chance to roll out relevant training to all our employees in their own chosen language, including corporate mandatory training. This will be a vital tool to support some of the training required to deliver a 'Safety First' culture change.

This system offers an individualised learning plan that is tailored to an employee's role but can also be used to deliver Company-wide training material to all employees.

The sophistication of the system and its use of artificial intelligence (AI) to aggregate personalised content, it allows employees to identify which skills they might need to develop to enhance their career.

Within this system there is also a social learning platform which fosters an informal approach, encouraging a collaborative workspace where subject matter experts can answer questions, share best practice and exchange ideas across our global network.

Our approach is further supported with the learning and development needs identified during the objective setting process used to help define other key management and leadership development needs that we need to consider.

Performance reviews

With the launch of a refreshed performance objective process, leaders and managers have a framework that sets out SMART objectives, aligned to the strategy and transformation of Trifast. Leaders and managers contributed to objective setting and assessed their skills and readiness to take on the tasks needed this coming year. The performance goals that were agreed will be reviewed and will allow for constructive and engaging conversation on achievements and areas where development would help colleagues be the best they can be.

STEM careers

Having undertaken STEM outreach in the past, we are again reviewing how we can truly widen our engagement with local schools, colleges and universities to enhance participation in the STEM subjects.

Although partnerships provide opportunities to educate young people through talks and interactive presentations about what it is like to be part of a global engineering and manufacturing business, it is not increasing the number of students pursuing careers in these fields.

We would seek to explore if there is a more integrated and sustainable programme we can foster with some of the key local schools and educational faculties to improve participation and grow the talent for the future.

While we explore options, our university efforts to support students with placements will continue as this is a critical element of their education and one where Trifast can truly add support to increasing the number of students successfully entering a career in the STEM areas.

Early career support, student opportunities and apprenticeships

Although it was not possible to extend our placement programme this year due to the closures and restructuring of the business, we remain committed to providing opportunities to the next generation and will refresh our approach in readiness for the next batch of placement students.

With the economic challenges in many of our operating countries, there is an increase in students not progressing to universities but looking for alternative options such as apprenticeships. We will give consideration as to how we can support this method of entry into the workforce going forward.

We remain dedicated to providing opportunities for young people to understand how a global organisation operates, how they might enter the workforce and see a career path. With the support of apprenticeship programmes, we see this as a vital route to building our talent line going forward.

Being a responsible business continued

Our people continued

Diversity, equity and inclusion

As a leadership team supporting a global business, all of the ELT are committed to treating everyone fairly and recognise the strengths that a diverse workforce can bring to the future growth of the business.

We make every effort to eliminate discrimination, create equal opportunities and develop good working relationships between our teams. Our people represent a mix of cultures spanning 27 locations in 16 countries and this provides us with many opportunities to understand and value those cultures.

As part of the people programme, we will update our diversity, equity and inclusion strategy, giving greater emphasis on bringing about positive engagement and participation from all over our diverse workforce.

We know that by engaging our employees and allowing them to bring their 'whole self' to work we will increase employee satisfaction and engagement, overall creativity and a sense of belonging.

We continue to take targeted action, across our locations in all countries, to ensure that all legislative requirements are met and that as a business we go beyond our legal obligations to further build an environment that is totally inclusive.

The engineering sector faces a considerable challenge on diversity, especially in relation to attracting women into technical roles. Through our work on STEM initiatives, we would seek to encourage change in the profession and amongst the female population.

Age

We employ a diverse workforce, from school leavers through to over 65s. We have age data for all staff except those in Asia; this data will be gathered as part of the implementation of the new HR system, a breakdown is set out below.

Mental health

With the ever-increasing mental health and wellbeing challenges faced by individuals, we are taking steps to ensure that we educate and support our leaders and managers to identify problems, propose interventions and take proactive steps to help and support those facing emotional challenge. We are open in our communication on mental health, believing this will allow employees to be open in return. We will continue to review proactive steps we can take to support our people should they face mental health or emotional difficulties.

Conclusion

Trifast had a turbulent year with all the changes, not only to leadership, but also within operations with the opening of the NDC. It must be acknowledged that our teams continued to service our customers both externally and internally to a high standard and remained professional at all times. Our people are the backbone of Trifast and will continue to be central to our approach as we enter the next phase of turnaround.

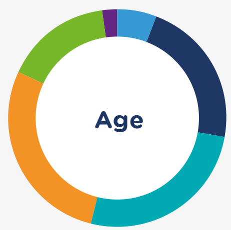
Gender diversity as at 31 March 2024

Board: Female | **43%**; Male | **57%**

Executive Leadership Team: Female | **22%**; Male | **78%**

Entity Directors & Senior Managers: Female | **24%**; Male | **76%**

All: Female | **33%**; Male | **67%**



<25 | **6%**
25–34 | **22%**
25–44 | **26%**
45–54 | **28%**
55–64 | **16%**
65+ | **2%**

Being a responsible business continued

Our people continued

A safe and healthy working environment

As part of Recover, Rebuild, Resilience, we will increase the focus on protecting our team and environment, and build upon the existing platform. We are incorporating One TR into health and safety by providing a robust global framework that sets clear standards for all of our operations. We want to provide a safe working environment by engaging our team to help determine these standards and harness the best practice across our operations.

We are proud of the efforts our team take in reducing and managing risk and achieving low incident rates.

We will build on this by increasing the proactive reporting for safety recognition where our team takes action to keep one another safe, and also increase the reporting of observations where we need to take action to remove hazards from our operations.

We are in a fortunate position of being able to harness the ability within our global team and are excited about what we can achieve together.

Health, safety and wellbeing

Supporting the health, safety and wellbeing of our team continues to be a core priority for our business. Over the last year, the tone from the top has changed following the appointment of the new CEO, who is personally championing our commitment to strengthening our approach to health, safety and wellbeing. This involves a greater focus on improving our standards, mindset and conditions regarding health and safety across all Trifast operations.

In line with One TR we are developing a global approach to improving health and safety standards and driving consistency across our business operations. This includes developing accountability across all sites and regions, defining clear objectives and targets for safety, and promoting the ownership for safety within the leadership and management structure.

> Supporting our team's health, safety and wellbeing is an essential part of how we operate within Trifast, and we see our people as our most important Company strength

Safety transformation roadmap

Workplace conditions & behaviour – implementing best practice for workplace conditions and establishing behaviours to positively influence our safety culture

Leadership – with a focus on building greater ownership and accountability for safety

Metrics & measurement – to increase learning and action from our lagging and leading indicators

Team engagement – strengthening our employee participation and engagement through stronger communication, training and participation

Standards & framework – defining our global expectations through harnessing best practice from our team

Being a responsible business continued

Our people continued

Health and safety

In March 2024, a new role, Global Environment, Health & Safety Director, was created to provide additional direction and momentum and support the Company's commitment to protecting our team and the environment. David O'Brien, Global EHS Director, is conducting a root-and-branch assessment across our global footprint to review the current strategy. In updating our strategic approach, we aim to deliver One TR, reduce risk in our operations and develop a proactive culture utilising our global ability and experience of the fastener manufacturing and distribution industry.

Along with this, we are defining our leading safety indicators and, in line with the new regional structure, building a greater culture of accountability for safety at a site level. This will commence with leadership safety training for all our senior level team.

We expect to see an increase in our incident metrics as we tighten and focus the reporting criteria, and we view this as an important opportunity to learn and develop stronger risk control measures across our operations.

We will increase the capturing of leading indicator measures, and plan to introduce a safety observation reporting process across all levels and locations within our business.

Our integrated approach to environment, health and safety will be designed to support a lean and efficient operational model. We will eliminate risk where possible, focusing on both the high-risk and high-frequency hazards within our business. To support One TR, we are defining the global standards we expect all locations to work to, for the following risk areas:

- Reducing our machinery risks through improved guarding and protective devices
- Eliminating or reducing working at height hazards by automating or mechanising our activities
- Increasing the separation and segregation of pedestrians and vehicles

To help support the integration and fast track improvements, additional resource will be provided where required. Additional EHS resource has been added for our Malaysia manufacturing site to support shop floor risk reduction activities. Our Safety Reps programme is also in place to provide additional support for our site teams.

FY24 safety statistics

The recorded data for FY24 covers all sites. All data is for both employees and contractors unless otherwise stated:

Zero
fatalities

Two
recordable incidents (USA)

Three
lost time

- one knife safety (Kentucky, USA)
- one fall from height (Houston, USA)
- one manual handling (Colchester, UK)

17
minor incidents resulting in first aid treatment. Cuts and abrasions continue to be the main causal area for the minor injuries

12
near misses reported

Four
non-injury RTAs

No injuries were long term and all employees have returned to work

Lost time caused by work related illness/injury:

Zero
days lost (Contractors)

15
days lost (Employees)

Lost time incident rate for employees only:

0.27
(calculation is number of accidents leading to absence multiplied by 200,000 divided by number of hours worked)

2,228,911
total hours worked

297,188
total days worked

We have a target to remain below one for our lost time injury rate and are pleased to report that both of these have been achieved.

Being a responsible business continued

Our planet

ISO 14001

Waste and water continue to be managed through the ISO 14001 certification and there is a commitment to reach global coverage by FY26. In the last 12 months, progress has continued for certification audits with our teams in Newton Aycliffe (UK), TR Hungary and Central Services.

Waste

To reduce waste generation, we supply fastenings to many of our customers in reusable plastic totes.

Most of our products are still delivered to our sites in plastic and cardboard packaging. Utilising our established effective relationships with our suppliers, we aim to work together to reduce inbound packaging, as well as increasing the quantity of recycled material in our packaging.

Waste is managed locally at each of our global operations. The Responsible Business Steering Committee recently worked with our Marketing department to produce an internal video to promote the importance of recycling. The aim of the video was to increase awareness to further encourage local recycling initiatives to be implemented throughout our operations.

Water usage

We monitor our water use, sources and discharge routes, collating and evaluating the data to allow us to set a meaningful water strategy. Water consumption across the Group has shown an overall reduction of 12% when compared to the previous year.

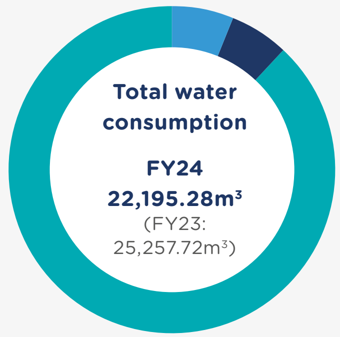
In consolidating our footprint, we expect our water consumption to further reduce, due to locations being modernised and consolidated. We recognise this may take some time to normalise due to the business transformation efficiencies being achieved.

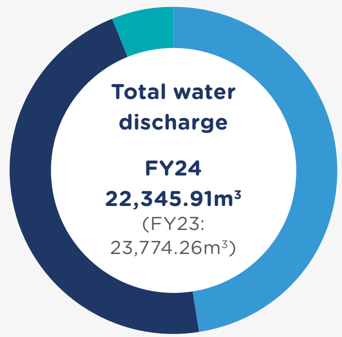
During FY24 we have had zero environmental controversies and have also had no direct or accidental oil spillages.

Pollution prevention

There are some minor emissions to water related to the manufacturing processes at our sites, and we do store and use materials that could have an impact on the environment if they were to be accidentally released. We have good controls in place to ensure we comply with all obligations in relation to water quality and pollution prevention.

These include appropriate training, risk assessment and management processes, monitoring and emergency response procedures.





> Water consumption across the Group has shown an overall reduction of 12% when compared to the previous year

Being a responsible business continued

Our planet continued

Pollution prevention continued

We manage environmental progress through our ISO 14001 certified environmental management system, seeking to reduce the direct impacts from our own operations as well as our products life cycle. As part of our continuous improvement journey, we will analyse and refine our environmental data capture to ensure environmental risks are understood and improvement activities continue to be identified. We are pleased to report that there have been no environmental incidents during FY24.

Energy

Manufacturing is our most sizeable area of energy use, representing around 73% of our global consumption. Our total energy use in FY24 was 18,769,707 kWh, electricity makes up just over half of this, with the remainder being natural gas, gas, oil, LPG used for space heating and transport fuel.

ESOS

The Company is required to comply with the Energy Savings Opportunities Scheme (ESOS); assessments were completed last year by third parties at our business premises. We worked through the report recommendations to best align them with our sustainability roadmap.

During FY25 it is our intention to implement energy self-assessments globally, to capture opportunities currently not recognised through the ESOS energy audits.

We measure the energy/emissions intensity of our operations using three key metrics:

	FTE (tonnes CO_2e/FTE hours)	Revenue (tonnes CO_2e/£1k)	Floorspace (tonnes CO_2e/m^2)
FY24	**121,504.86**	**0.55**	**1.46**
FY23	150,556.27	0.65	1.96

Note: Our emissions data includes all material emissions of the six Kyoto gases from direct sources and from purchased electricity, heat and steam and cooling where applicable. No direct source material emissions have been omitted. The FY23 data has been restated to now include Scope 3 emissions for purchased goods and services as well as recalculations for previous omissions from the FY23.

Figures are reported in tonnes of CO_2e (carbon dioxide equivalent). Reports are calculated in the following ways:

- Tonnes of CO_2e per hours worked as FTE (Full Time Equivalent)
- Tonnes of CO_2e per £1k of revenue
- Tonnes of CO_2e per m^2 (square metres of floor space occupied by the Company)

Our main source of emission factors is BEIS (2023), with other data selected to fill gaps or because it is deemed to be more accurate. IEA (2023) data is used for calculating emissions of non-UK, location-based electricity, while BEIS (2023) is used for calculating emissions of UK, location-based electricity.

Monitoring our GHG emissions

We have provided below our GHG emissions as required under the Companies Act 2006 (Strategic Report & Directors' Report) Regulations 2013, and have reported the requirements of the Streamlined Energy & Carbon Reporting (SECR) framework.

For FY24 we have continued to utilise the Carbon Trust 'Footprint Manager' software, allowing us to accurately gather and report on our Scope 1 and 2 GHG emissions, Scope 3 business travel and also monitor our water usage.

In addition, and with our increased Scope 3 reporting, we have improved our emissions monitoring and are working to establish corporate level monitoring for our greenhouse gas emissions.

Carbon emissions

Manufacturing | Distribution | Total

128,195 tonnes CO_2e
Trifast plc tonnes CO_2e
(FY23: 158,846 tonnes CO_2e)

18,769,707 kWh
Trifast plc kWh
(FY23: 19,643,056 kWh)

Asia manufacturing 2,689 tonnes CO_2e
(FY23: 2,731 tonnes CO_2e)
5,612,079 kWh
(FY23: 5,821,944 kWh)

Europe manufacturing 1,774 tonnes CO_2e
(FY23: 1,677 tonnes CO_2e)
7,914,164 kWh
(FY23: 7,772,455 kWh)

UK & Ireland manufacturing 18 tonnes CO_2e
(FY23: 51 tonnes CO_2e)
86,845 kWh
(FY23: 266,642 kWh)

UK & Ireland distribution 36,491 tonnes CO_2e
(FY23: 23,587 tonnes CO_2e)
3,031,851 kWh
(FY23: 3,843,574 kWh)

Asia distribution 6,223 tonnes CO_2e
(FY23: 9,634 tonnes CO_2e)
225,792 kWh
(FY23: 196,713 kWh)

Europe distribution 57,633 tonnes CO_2e
(FY23: 88,841 tonnes CO_2e)
1,461,783 kWh
(FY23: 1,354,266 kWh)

USA distribution 23,367 tonnes CO_2e
(FY23: 32,325 tonnes CO_2e)
437,193 kWh
(FY23: 387,462 kWh)

Being a responsible business continued

Our planet continued

Carbon emissions continued

For FY24 we have increased our Scope 3 emissions reporting to now include purchased goods and services, employee commuting emissions and also emissions data for our joint venture in Asia, apportioned for our ownership percentage. Read more about our joint venture on page 23.

The FY23 data has been restated to now include Scope 3 emissions for purchased goods and services as well as recalculations for previous omissions from the FY23 reporting which were highlighted whilst revalidating data as part of our continuous improvement journey.

Our total carbon emissions have decreased from 158,846 tonnes CO_2e in FY23, to 128,195 tonnes CO_2e in FY24.

	FY24	FY23
Total Scope 1 emissions	**1,578.39**	1,723.20
Purchased fuels	**1,053.96**	1,127.39
Company vehicle use	**524.43**	595.81
Fugitive emissions	**0.00**	0.00
Total Scope 2 emissions	**3,985.86**	3,963.08
Purchased electricity	**3,985.86**	3,963.08
Total Scope 3 emissions	**122,630.60**	153,159.66
Purchased goods and services	**121,513.04**	152,835.05
Business travel	**446.75**	324.61
– Air	**269.02**	314.90
– Road	**177.41**	9.23
– Rail	**0.32**	0.48
Employee commuting	**662.00**	–
Investment – Joint Venture (40%)	**8.81**	–
Total emissions	**128,194.85**	158,845.94

Increased Scope 3 emissions reporting for FY24

Purchased goods and services

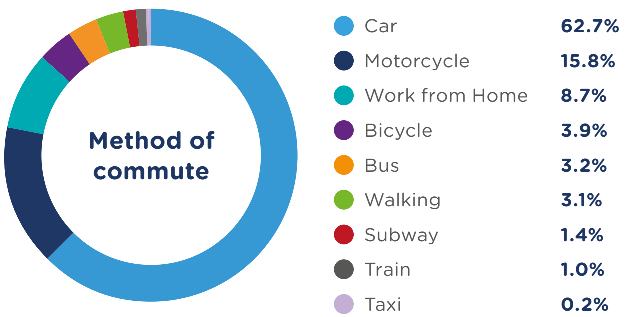
In line with our sustainability strategy commitments, we have, for the first time this year, reported on Scope 3 emissions related to purchased goods and services, utilising the Greenhouse Gas Protocol spend-based analysis methodology.

By region	**FY24 Tonnes of CO_2e**	FY23 Tonnes of CO_2e
Asia	**5,939**	9,555
Europe	**57,186**	88,627
UK & Ireland	**35,314**	22,495
USA	**23,074**	32,158
Total	**121,513**	152,835

Employee commuting

We have also conducted an employee commuting survey to gather carbon emissions data on employees' journeys to and from work, two years ahead of our FY26 commitment.

By region	Tonnes of CO_2e	Average CO_2e per employee
Asia	228	0.5
Europe	189	0.7
UK & Ireland	158	0.3
USA	87	1.5
Total	**662**	**0.5**



Being a responsible business continued

Our planet continued

Net zero ambition

We set our first reduction target during FY23, which took into account the Science Based Targets initiative. This aimed to reduce our Scope 1 and 2 GHG emissions by 67.2% by 2035 (with a rolling target of 4.2% reduction p.a.) using a baseline of 2019 with a footprint of 8,160 tonnes CO_2e, with our end target for FY35 being 2,676 tonnes CO_2e. Our target for FY24 was 6,446 tonnes CO_2e, which we more than achieved with our result of 5,564 tonnes of CO_2e for the year.

The reporting boundary of this metric includes the Scope 1 and 2 emissions of all active companies within the Trifast plc Group.

Once we have more comparable figures from the increased Scope 3 emissions reporting, it will enable us to begin to develop Scope 3 reduction targets and we will submit our letter of intent.

Our definition of net zero is where GHGs from human activity are in balance with emission reductions. Although those emissions are still generated, an equal amount is removed from the atmosphere.

Meeting these targets will be achieved by energy and carbon reduction within our own operations, indirect emissions from travel and logistics and our supply chain.

With support from RSM UK, we are developing a time-bound GHG emission reduction transition plan to commence an Eliminate, Reduce, Protect plan for net zero. Whilst initiatives such as switching to renewable energy and installing solar panels on our buildings continue, the plan also allows us opportunities to explore alternative low-carbon emission solutions to enable significant emission reductions for long-term sustainability.

During FY25 we will work towards allocating a dedicated budget to support our emission reduction targets.

	FY19		FY20		FY21		FY22		FY23		**FY24**	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	**Target**	**Actual**
Scope 1	1,732	1,732	1,659	1,891	1,587	1,761	1,514	1,964	1,441	1,723	**1,368**	**1,578**
% (reduction) from 2019 baseline				9.18%		1.67%		13.39%		(0.52)%		**(8.89)%**
Scope 2	6,428	6,428	6,158	5,774	5,888	4,499	5,618	3,943	5,348	3,963	**5,078**	**3,986**
% (reduction) from 2019 baseline				(10.17)%		(30.01)%		(38.66)%		(38.35)%		**(37.99)%**
Overall Scope 1 and 2	8,160	8,160	7,817	7,665	7,475	6,260	7,132	5,907	6,789	5,686	**6,446**	**5,564**
% (reduction) from 2019 baseline				(6.07)%		(23.28)%		(27.61)%		(30.32)%		**(31.81)%**

Future targets	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
Scope 1	1,296	1,223	1,150	1,077	1,005	932	859	786	714	641	568
Scope 2	4,808	4,538	4,268	3,998	3,728	3,458	3,188	2,918	2,648	2,378	2,108
Scope 1 and 2	6,104	5,761	5,418	5,075	4,733	4,390	4,047	3,704	3,362	3,019	2,676
% (reduction) from 2019 baseline	25.20%	29.40%	33.60%	37.80%	42.00%	46.20%	50.40%	54.60%	58.80%	63.00%	67.20%

Being a responsible business continued

Our planet continued

Supply chains

It is essential to Trifast that we understand and remain transparent about the operational aspects of our supply chain, ensuring ethical practices remain at the forefront of supply chain management to embed cultural change within our industry. All supply chains remain under pressure through legislative changes and the new operating environment including our stakeholders.

The ethos 'Think Global, Act Local' has long been in our DNA and already makes a difference to the impact we have on the environment. We will continue to focus our efforts on near shoring our global supply chains including our own manufacturing facilities.

Our global supply chain has a wide range of environmental and social impacts as well as risks. Metal components rely on high-impact activities such as mining and smelting. Suppliers and logistics partners are exposed to increasing risks from climate change as well as geopolitical pressures, which are likely to affect the availability and cost of labour and materials.

We require our Approved Vendor List (AVL) suppliers to implement our Quality & Sustainability Agreement and Slavery & Human Trafficking Statement and provide us with declarations of compliance as part of the assessment process.

To date, the Quality & Sustainability Agreement has been completed by 268 TR-approved suppliers (61% of spend) and our Slavery & Human Trafficking Statement has been signed by 613 TR-approved suppliers (82% of spend).

We are developing our sustainable supply chain strategy which we aim to complete in FY25. This will determine how we map our supply chain and measure our onshoring progress, therefore allowing us to identify opportunities.

We set clear expectations on how our suppliers should manage quality, environmental, social and corporate governance matters.

Our supplier quality team carry out desktop reviews and on-site audits with new and existing suppliers. These assessments include quality and sustainability practices, business ethics and values. This forms the basis for continued supplier development.

AVL suppliers are re-audited every two years by conducting supplier reviews and site audits to ensure suppliers continue to meet our expected standards.

In FY24, we had one major non-compliance due to an unauthorised change in material. Following investigation, the action was taken to put the supplier on new business hold and to resource the part to an alternative AVL supplier.

Paving the way for fair climate trade

The Carbon Border Adjustment Mechanism (CBAM) is the world's first carbon emissions border tax created by the EU (EU Regulation 2023/956, 10 May 2023) with the aim of reducing carbon emissions and to protect the EU's climate ambition.

The primary focus of the legislation is to apply equal treatment of domestic and imported goods by applying a carbon emissions levelling tax, equal to the CO_2 costs of EU manufacturers, on carbon-intensive goods produced outside of the EU.

The tariff code of a product defines whether it is subject to CBAM measures. Trifast identified which tariff codes impact our business, and during FY24, we submitted the first of the quarterly reports required by the initial phase of the regulation, relating to the quarter ended 31 December 2023.

TR are engaging with our supply chain to ensure compliance with the EU CBAM regulation. We are in the process of gathering the carbon emission data from our suppliers to ensure we can report the actual CO_2 data in October 2024 as required by the regulation.

Design for environment

Trifast engineers incorporate design for environment principles into products, offering exciting opportunities for innovation. We are investing in product development and working with our automotive customers to meet or exceed the proposed ELV (end-of-life vehicles) Directive which will require all plastic components in motor vehicles to contain a minimum of 25% recycled content by 2030.

In many products the total life cycle environmental impacts can be reduced by specifying lower impact materials, such as bioplastics and recycled materials, or reducing the weight of materials used. This can also deliver commercial advantages simply by reducing compliance and material costs, whilst lowering the environmental footprint of products.

Innovation can add to the functionality of fasteners, including the disassembly and reuse of our customers' products, enabling a more sustainable and circular economy.

We must continue to explore how to employ sustainable innovations to optimise material and packaging use, while maximising reuse, recovery and recycling.

Understanding the environmental impact of our traded and own manufactured parts plays a vital role in our ambition of delivering new products and solutions with enhanced sustainability performance.

Being a responsible business continued

Our planet continued

Materials and circular economy

Controlled materials

Trifast is subject to a range of legislation related to controlled or hazardous materials. Due to the nature of the materials we use in some of our products and how they are used by our customers, we ensure that we manage our obligations effectively and can provide our customers with the necessary documentation. In developing our sustainability strategy, we will explore the impacts, risks and opportunities related to material use and the circular economy across our entire value chain.

Engagement of Trifast engineers in the design process allows fully integrated fastener solutions with the lowest environmental impact. Our engineering team works closely with both customers and the supply chain to find a suitable balance between performance, commercial and environmental cost.

Design for recyclability

Engineers at Trifast consider the complete product life cycle when supporting customers in resolving their engineering challenges. In addition to considering a design to align function and assembly with its sustainable manufacture, our engineering team also encourages the customer to apply design for recyclability. In general, fasteners account for less than 2% of the complete product weight. Value streams for recycling are formulated around the materials with the highest content, which are the most valuable or are easiest to recover.

However, fasteners can play a major role in the efficiency of recovery of materials by either aiding removability or separation, for example:

- Products manufactured of homogeneous plastics can be ground to provide raw material for the remanufacture of plastic components. The use of steel fasteners will allow these to be magnetically separated from the ground material, allowing both plastic and steel to be recycled
- Using fasteners of similar materials as the main structure integrates these as part of the recycling value stream: increased homogeneity of recovered material with an increased efficiency of the recycling process

TR emphasises the need of early fastener-engineering involvement to support the reduction of time to market, whilst meeting their objectives with sustainable product design. Enabling manufacture through cold forming instead of machining reduces the amount of waste of material from 60% to 5%, can improve material composition sustainability, whilst in many cases improving the overall performance.

Life cycle analysis

We created a life cycle calculation model based on a combination of actual manufacturing output combined with third-party provided data. We use this model for our own comparison of product manufacturing and supply options.

There is currently no internationally recognised standard to cover the full LCA process, which limits accuracy on benchmarking against our peers.

Sustainable packaging

The essential purpose of packaging products is to protect them, ensuring parts are delivered as contracted.

Our preferred packaging consists of neutral boxes which have high levels of recycled content and are recyclable. We design packaging to:

- Maximise filling whilst meeting ergonomic requirements
- Protect the products during transit and storage
- Maximise pallet loading to achieve a high transport density

Small quantities may still be packaged in low-density polyethylene (LDPE), which is recyclable. The use of plastic with high recycled content is highly focused on.

We have seen growth in the use of single-use plastic due to GreenTech requirements of technical cleanliness, parts must be packaged to avoid contamination with dust.

We are working with suppliers and experts to improve packaging sustainability whilst delivering on the exacting requirements for quality and protection.

Further research is needed to better understand and manage the use of packaging within the business. This can be split into three supply streams, with decreasing influencing power:

- Own manufacture
- AVL suppliers
- Other suppliers

Sustainable operations

We have implemented lean manufacturing methodologies, such as 5S within our manufacturing plant in Italy, designed to decrease waste and optimise productivity. Implementing Six Sigma principles and investing in Industry 4.0 technology (with more capable and efficient smart production machinery) has laid the foundation for more sustainable operations.

We have also aimed to reduce our environmental impact through material choices. Using lead-free machining steels and materials which do not need heat treatment or coating has reduced our carbon footprint and water usage.

Being a responsible business continued

Our principles

Ethical business practices

Policies

Our sustainability practices are governed by our comprehensive Code of Business Conduct which sets out our purpose, vision and core values, alongside the policies and guidance that ensure ethical business practices.

- Anti-Bribery Statement and Policy
- Business Ethics and Responsible Behaviour Policy
- Charitable and Political Donations Policy
- Dignity at Work Policy
- Environmental Policy
- Equal Opportunities Policy
- Equal Pay Policy
- Fair Competition and Anti-Trust Policy
- Freedom of Association and Collective Bargaining Policy
- Harassment Policy
- Health and Safety at Work Policy
- Trade Compliance and Sanctions Policy
- Whistleblowing Policy
- Working Conditions and Human Rights Policy

Also included in our Code of Business Conduct:

- Slavery & Human Trafficking Statement

We expect all employees to understand and comply with these policies. The Code of Business Conduct also helps our customers, suppliers and distributors around the world understand our requirement for them to observe all relevant laws and regulations.

Conflict minerals

We continue to gather information from our current suppliers concerning the origin of the metals that are used in the manufacture of products. Based on information provided by our suppliers to this point, we do not supply products containing metals derived from a specified conflict region.

Bribery and corruption

We have a zero-tolerance approach to all forms of bribery and corruption. Trifast is bound by the laws of the UK, including the Bribery Act 2010, in respect of its conduct both at home and abroad. In addition, we will uphold all laws relevant to countering bribery and corruption in all jurisdictions in which we operate, including the USA Foreign Corrupt Practices Act.

Anti-bribery training is included in our Learning Management System. Employees have completed the training and we continue to assess future training needs based on job roles. From July 2024, training relating to Bribery and Corruption and Modern Slavery is mandatory for all computer user employees.

Conflicts of interest

The Board has robust processes in place to avoid and manage conflicts of interest which might distort decision-making.

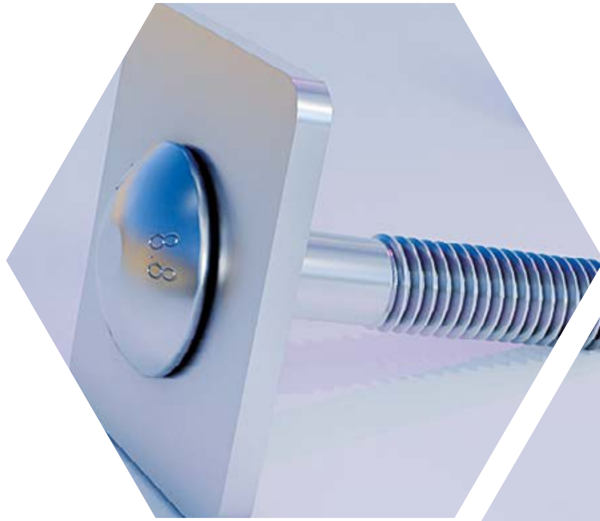
At Board and Committee meetings, Directors are asked to declare if they have conflicts of interest with any of the agenda points.

If the Chair determines a conflict is material, that Director would not be included in discussions or decisions for that subject. The Chair would ensure there is a quorum for the meeting to continue.

Whistleblowing

We ensure all employees are aware of the global, external, independent whistleblowing service, available to them in their own language. This service allows employees to anonymously report any activity or behaviour that they do not feel is appropriate. The confidentiality of those who raise concerns is protected and employees may come forward without fear for their position. During the year being reported and up to the date of this publication, two reports have been submitted to the hotline, with both relating to business expenses.

> Governance continues to be at the forefront of everything the Company does, and the Board recognises the continuing focus given to all aspects of governance from our stakeholders



Being a responsible business continued

Our principles continued

Human and labour rights

Trifast recognises human rights as set out in the Universal Declaration of Human Rights and enshrined in EU and UK law through the European Convention on Human Rights and the Human Rights Act 1998. Our workplace practices are governed by our Code of Business Conduct, our HR policies and our Business Ethics and Responsible Behaviour Policy, which commits Trifast to the highest standards in human and labour rights, employee conduct and compliance with all applicable legislation. It also sets out our commitment to ensuring employees have the freedom to associate or collectively bargain without fear of discrimination against the exercise of such freedoms.

Modern slavery

We comply with the requirements of the UK Modern Slavery Act 2015 and the California Transparency in Supply Chains Act 2010.

We remain committed to eradicating all forms of slavery or human trafficking and expect the same standards from our suppliers, customers, distributors, contractors and other suppliers of goods and services around the world. They are expected to meet the same standard on labour and human rights with safe working conditions, reasonable working hours, freedom of association, wages that comply with minimum wage legislation in the appropriate jurisdiction and no forced or inappropriate child labour.

We monitor suppliers by performing regular assessments to assure ourselves of each supplier's commitment in this area. Given our supply chain includes a wide range of manufacturing activities across a number of emerging economies, the business ethics of suppliers are assessed as part of the procurement process and through site audits. Training on modern slavery is provided to all new members of staff as part of their induction and during FY25 training will become mandatory for all employees.

Trifast's full statement on slavery and human trafficking can be found on the Company's website at www.trifast.com

Cyber security

During the last financial year, the challenges we face in cyber security have significantly changed. Although the methods of attack remain familiar, they have evolved from indiscriminate to targeted, trying to infiltrate us every day. We are constantly trying to stay one step ahead of our adversaries, actively monitoring threats and implementing new technical countermeasures.

Phishing remains the most common attack method, exploiting the vulnerability of humans as our weakest link. Every day we successfully block numerous phishing sites which are designed to steal our credentials. While we utilise cutting-edge AI technology to automatically detect and prevent malicious sites, our cyber security team remains invaluable at recognising and blocking sophisticated attacks.

We are acutely aware of the potential threat of insider attacks, stemming from either malicious intent or simple negligence. Our improved policies, procedures and awareness training are helping to effectively prevent attacks.

With such a global landscape, protecting our virtual borders has always been a challenge. Growing our cyber security team has been difficult due to the global shortage of cyber security professionals. Fortunately, we have managed to expand our security team to provide better annual risk audits at all our global locations.

For 2024 and beyond, our strategy entails enhancing our current resilience and deploying a dynamic zero-trust model. This involves instilling a robust security culture throughout the organisation, extending from the grassroots to the Board level, and dedicating ourselves to a comprehensive cyber security awareness training programme.

Privacy and data protection

We process sensitive and personal information and have robust processes in place to ensure it is kept securely. We have data protection and information security policies in place and ensure the Group's compliance with all relevant local laws.

We can confirm that for the financial year reported, there have been no complaints or prosecutions, or instances of data loss or theft.

It should be noted that this year, there have been no controversies with regard to anti-competition, business ethics, bribery and corruption, tax fraud, responsible marketing, privacy or wages and working conditions during the financial year.

Climate-related Financial Disclosures

Trifast recognises that climate change poses a significant risk to people, ecosystems and economies around the world and are committed to being a responsible business

In accordance with the requirements of Listing Rule 9.8.6R(8), this section of the report includes Climate-related Financial Disclosures, consistent with the TCFD recommendations and disclosures, including the level of compliance.

The table also provides references to where you can find more information on our climate-related actions throughout our Annual Report.

In making our disclosures, we have stated that we are compliant in all areas with the exception of metrics and targets a) and c) which are partially compliant (see page 65 for more details). The use of metrics and targets to manage climate-related risks and opportunities is not yet fully implemented, and we plan to improve this during FY25.

Pillar	Recommendation	Reference points
Governance Disclose the organisation's governance around climate-related risks and opportunities	Describe the Board's oversight of climate-related risks and opportunities	Governance section – page 56 Board and Committee framework – page 79 Executive annual bonus – page 112
	Describe management's role in assessing and managing climate-related risks and opportunities	Governance section – page 56 Board and Committee framework – page 79
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Strategy section – page 57 Viability statement – page 76 Principal risks - page 66 to 75 Climate-related risks and opportunities – page 58 to 62
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Strategy section – page 63 Notes to the financial accounts – page 169
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Strategy section – page 63 Our new strategic direction page 10 Viability statement – page 76
Risk Management Disclose how the organisation identifies, assesses and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks	Risk management section – page 64
	Describe the organisation's processes for managing climate-related risks	Risk management section – page 64 Risk management – page 66
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Risk management section – page 64 Risk management – page 66
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management	Metrics and targets section – page 65 Executive annual bonus – page 112
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Metrics and targets section – page 65 Emissions data – pages 48 to 50
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Metrics and targets section – page 65

Climate-related Financial Disclosures continued

Governance

Disclose the organisation's governance around climate-related risks and opportunities

a. Describe the Board's oversight of climate-related risks and opportunities

Compliance level – Full (FY23: partial)

The Board is directly responsible for climate-related risks and opportunities and is supported by both the Responsible Business Committee and the Audit & Risk Committee.

Our Board and Committee framework is described on page 79.

The Responsible Business Committee meet with management three times per year and are updated on climate-related risks and opportunities by the Responsible Business Steering Committee, including progress against goals and targets.

The Audit & Risk Committee also meet three times a year and review these climate-related risks and opportunities within the risk reporting activities.

As of FY24, climate-related issues are a standing agenda point at all Responsible Business Committee and Audit & Risk Committee meetings.

Both the Responsible Business Committee and the Audit & Risk Committee receive updates in preparation for Board strategy meetings, which have included issues such as:

- The impact of Carbon Border Adjustment Mechanism and near shoring plans on our supply chain strategy
- Manufacturing efficiency and reduced carbon footprint through investment in production equipment and the review of best practice and in/outsourcing decisions for secondary operations
- The potential for innovation in products and material developments in partnership with key customers
- Opportunities to offset energy supply challenges in Europe by installing solar panels and switching to green energy contracts

The Board consider climate-related issues when reviewing and guiding strategy and setting and reviewing performance objectives. The carbon emission reduction target is linked specifically to the Executive Directors' annual bonus incentive through the Remuneration Committee. For further details see page 112.

The Board monitors and oversees progress against goals and targets for addressing climate-related issues through the updates provided by the Responsible Business Committee and through presentations on key topics from Management.

b. Describe management's role in assessing and managing climate-related risks and opportunities

Compliance level – Full (FY23: full)

The Responsible Business Steering Committee supports the business teams in assessing, monitoring, and managing climate-related issues and reporting the results to the Responsible Business Committee through the standing agenda items.

Assessment of risks and opportunities includes the identification of related business activities and any potential material impact. The Responsible Business Steering Committee meets three times a year as a minimum and also reports to the Responsible Business Committee three times a year on climate-related risks and opportunities in accordance with the standing agenda.

Our Board and Committee framework is described on page 79.

The Responsible Business Steering Committee Chair is the owner of the climate-related principal risks and is responsible for nominating subject matter experts to take part in risk analysis and scoring activities as well as identifying controls and ensuring any necessary mitigating actions are implemented across the business.

Climate-related Financial Disclosures continued

Governance continued

b. Describe management's role in assessing and managing climate-related risks and opportunities continued

Throughout the year, risk owners and subject matter experts take part in deep-dive risk reviews and presentations to the Board.

The Steering Committee Chair works with the Executive Leadership Team to ensure that the climate-related risks and opportunities are addressed through the regional and functional teams.

Our Board and Committee framework on page 79 shows the relationship between the Board, its Committees and the leadership groups.

During FY23 a broad range of climate-related risks and opportunities were identified and in FY24 we built on this work and engaged with our network of champions to understand how climate-related issues affect each of our sites on a geographical basis.

In FY25 we plan to establish key risk indicators for our principal risks, which will improve the way we monitor climate-related issues across the business.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

Compliance level – Full (FY23: partial)

Climate-related risks and opportunities are reviewed and prioritised based on their strategic importance and potential financial impact on the business, including the business activities where the impact would occur.

The areas of materiality are provided for each of the climate-related risks and opportunities, which are shown on pages 58 to 62.

We have linked our climate-related risks and opportunities, as well as our principal risks to our viability statement, see pages 76 and 77.

We have identified sustainability and climate change as a principal risk, see page 70, and we have also identified a further five climate-related issues that have a material impact on our business, see pages 58 to 62.

In FY23 we carried out basic qualitative analysis of our climate-related risks in order to establish the most appropriate time horizons for reporting our climate-related risks and opportunities, particularly with consideration of the timescales for net zero targets. In FY24 we aligned our CDP time horizons with these periods to remove any inconsistency in our reporting: Short term 0-3 years, medium term 3-15 years, long term 15-25+ years.

Climate-related Financial Disclosures continued

Strategy continued

Climate-related risks and opportunities

Description

Carbon Border Adjustment Mechanism (CBAM)

CBAM is a short to medium-term transition risk both for our European sites who are now submitting reporting data and for our manufacturing sites outside of Europe that are providing data for their customer base in Europe. CBAM applies to steel fasteners and will require advanced purchase of carbon certificates as payment of the tax, which will need to be passed on to customers.

Differences between CBAM schemes in Europe, UK and USA will add complexity to managing and submitting data and are likely to drive resource requirements at our sites and in our supply chain until a technological solution is developed within the industry.

Links to principal risks:

Sustainability and climate change page 70

Supply chain resilience page 72

Legal or regulatory non-compliance page 69

Why we think it's important

The carbon price is expected to increase significantly as a result of global climate change mitigation based on weighted global averages for carbon prices. Source: IIASA NGFS Climate Scenarios Database, REMIND model.

In the short to medium term we expect that this will drive improvement in the efficiency of production equipment as well as support development and wider commercial availability of 'green steel' for use in fastener production.

Where manufacturing efficiency can't be improved significantly, we would expect to see an increase in engineering product development and onshoring of manufacturing processes based on customer manufacturing locations, which is currently constrained by machine capacity across the fastener industry outside of Asia.

How we are mitigating the risk

We are following the EU CBAM phases, with initial submissions from our European sites based on the standardised commodity code data.

We have carried out an initial assessment of reporting readiness from our suppliers based on our EU-imported products and we have reviewed variances in data from similar sources.

We have carried out basic qualitative modelling of the carbon price under different climate change scenarios to understand how changes in price may impact the cost of import over our short, medium and long-term time horizons.

We are investing in resource to support training and development within our supply chain.

We are working with industry groups in the UK and Europe to improve CBAM reporting mechanisms and models for fasteners.

Key data

Category
Transition risk

Metrics links
Scope 1 and 2 emissions from our factories pages 48 to 50

Scope 3 emissions from our purchased products page 49

Specific materiality
Cost of CBAM reporting administration at our sites in Europe and our manufacturing sites outside of Europe

Cost of supply chain development to provide data

Cost of data management resources and technology

Cost of carbon certificates purchase

Time horizon

Short Medium Long

Material impact

Low Medium High

Read more about
Stakeholder engagement page 26

Paving the way for fair climate trade page 51

Sustainable operations page 52

Climate-related Financial Disclosures continued

Strategy continued

Climate-related risks and opportunities continued

Description

Supply chain disruption

Increases in extreme weather events as a result of climate change resulting in floods, fires and landslides are likely to cause disruption to local transport networks in our supply chain.

Links to principal risks:
Sustainability and climate change page 70

Supply chain resilience page 72

Why we think it's important

We make, buy and sell fasteners to our global customer base, and we operate in 16 countries. Maintaining excellent quality and service through our fastening supply solutions is a key aspect of our business strategy. We have established a network of trusted global suppliers as well as a global logistics network.

We have previously seen that disruption events such as extreme weather and pandemics drive customer desire for onshoring of products to minimise the impact of disruption, but manufacturing capacity across the fastener industry continues to make this challenging and is often deemed to be cost-prohibitive by customers.

We expect this risk to persist at today's global temperature, and to increase in severity with any further rise in global temperature, resulting in higher operating costs across the industry, for both transportation of product and potential disruption of customer assembly processes.

How we are mitigating the risk

Our 'Think Global, Act Local' approach includes:

- Supply chain owners assigned to suppliers
- Shipping company data analysis
- Disruption events managed by designated supplier and customer support teams
- Near shoring our global supply chain where possible
- Approved Vendor Quality & Sustainability Agreements

In FY25 we plan to develop our 'Sustainable Supply Chain Strategy', including aspects such as how we map our supply chain, and measurement of onshoring success, which will help us identify further opportunities.

Key data

Category
Acute-Physical

Metrics links
Scope 3 purchased goods and services data page 49

Specific materiality
Cost of disruption

Cost of expedited deliveries to customers as a result of supply chain disruption

Reputational damage

Potential loss of a customer

Time horizon

Short Medium Long

Material impact

Low Medium High

Read more about
Supply chains page 51

Stakeholder engagement pages 24 to 26

Climate-related Financial Disclosures continued

Strategy continued

Climate-related risks and opportunities continued

Description

Carbon footprint of manufacturing processes

The high-carbon intensity of traditional fastener manufacturing processes, and the associated secondary processes such as heat treatment and plating, is considered a medium-term transition risk.

Machine efficiency improvements can be made to existing equipment, but improvements in technology and materials are also required.

Heat treatment processes depend on the use of heat and gases to change the material properties of metal components, typically improving their strength, or changing their failure mode in a specific design application.

Plating and coating processes are used to improve the corrosion performance of fasteners and to apply lubricants or locking features.

Links to principal risks:
Sustainability and climate change page 70

Product failure page 73

Why we think it's important

The speed at which new technology becomes commercially available is expected to be driven by tightening regulation (and increasing cost) of traditional processes, which we have seen previously with the phase-out of hexavalent chrome from fastener plating processes.

Carbon Border Adjustment Mechanisms (CBAM) and their associated costs are based on the end-to-end manufacturing process, with older equipment having a lower efficiency than newer machines.

How we are mitigating the risk

Investment in new manufacturing equipment that is Industry 4.0 compliant to improve efficiency at our TR Italy manufacturing plant.

Refurbishing the in-house heat treatment line, to improve efficiency at our TR Italy manufacturing plant, with initial results showing a 16.8% reduction in gas consumption.

Removal of the in-house electroplating facility at our TR Italy manufacturing plant, with product processing moved to a more efficient third-party processing plant.

Use of solar panels to generate electricity at our TR Italy site.

Manufacturing best practice review across Taiwan, Singapore and Malaysia.

Key data

Category
Transition–technology

Metrics links
Scope 1 and 2 emissions from our factories pages 48 to 50

Specific materiality
Cost of replacing manufacturing equipment to improve efficiency

Cost of losing business in Asia for products supplied to customers in Europe and USA

Cost of outsourcing carbon intense processes to suppliers with new technology

Improved operating efficiency

Time horizon

Short Medium Long

Material impact

Low Medium High

Read more about
Design for environment page 51

Sustainable operations page 52

Climate-related Financial Disclosures continued

Strategy continued

Climate-related risks and opportunities continued

Description

Carbon footprint of products

As well as the carbon footprint of fastener manufacturing processes, we consider that the carbon footprint of the fasteners themselves is a medium-term transition risk.

The high-carbon footprint of traditional metal fasteners is expected to be highlighted by product-specific Scope 3 declarations for our own CBAM reporting and in response to customer requests for product-specific data to support their own CBAM reporting.

Links to principal risks:
Sustainability and climate change page 70

Why we think it's important

Increasing awareness of product-specific carbon footprint is expected to drive customer requirements for low-carbon product solutions for existing applications, followed by a more substantial change in customer product requirements.

Both of these anticipated outcomes are viewed as opportunities for our engineering and innovation teams; however, our ability to maximise these opportunities and keep up with developments in engineering materials will be dependent on our investment in engineering innovation.

How we are mitigating the risk

Product simplification, weight reduction, and innovation projects with our customers.

In-region purchasing of steel and purchasing from sustainable electric ARC processes where possible.

Investment in product development to support increased recycled content of components.

Review of manufacturing methods and transfer from bar turning to cold forging processes for key products.

Key data

Category
Transition risk – reputation

Metrics links
Scope 1 and 2 emissions from our factories pages 48 to 50

Scope 3 emissions from our purchased products page 49

Specific materiality
Impact of near shoring products from Asia to European and US regions

Impact of reduced demand for traditional fastener products

Cost of outsourcing carbon-intensive processes to suppliers with new technology

Cost of purchasing raw materials from sustainable sources

Investment in innovation

New opportunities based on product developments and innovation

Time horizon

Short Medium Long

Material impact

Low Medium High

Read more about
Design for environment page 51

Sustainable operations page 52

Design for recyclability page 52

Climate-related Financial Disclosures continued

Strategy continued

Climate-related risks and opportunities continued

Description

Market sector changes

Over the last three years we have witnessed changes in our customer market sectors, particularly with the growth of the electric vehicle and renewable energy sectors.
Industry and technology changes in the future may lead to the reduction of traditional fastener applications and provide opportunities in a range of new and emerging sectors.

Links to principal risks:

Sustainability and climate change page 70

Operation in a volatile macroenvironment page 68

Why we think it's important

In the short term (0-3 years) we expect that there will be changes in traditional market sectors, with the emphasis on sustainable improvement for existing products.

In the medium term (3-15 years) we may see the emergence of new market sectors, driven by developments in materials and technology to improve sustainability.

Historically we have always been able to follow market sector developments by supporting our customers in new regions and through new projects. Step changes in technology and the emergence of new industries to meet climate change solutions are likely to come from different sources, such as innovation and technology centres, and will require different methods of customer engagement.

How we are mitigating the risk

Alignment of value proposition with our core customer needs and expectations.

Development of our Connect360 customer engagement solution to support market sector analysis and identification of opportunities.

Focus on anticipated high-growth sectors.

Investment in product development.

Key data

Category
Opportunity – Markets

Metrics links
Percent revenue by sector page 31

Specific materiality
Potential value of market sectors at risk

Potential value of market sector opportunities

Impact of reduced demand for our customers' products

Time horizon

Short Medium Long

Material impact

Low Medium High

Read more about
Our new strategic direction page 12

Design for recyclability page 52

Climate-related Financial Disclosures continued

Strategy continued

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Compliance level – Full (FY23: not compliant)

At Group level, our function-based financial planning and budget approval includes consideration of resource requirements to support the regional business teams, including CBAM supply chain development, innovation and product development through our engineering teams. Details of the financial considerations can be found on page 169.

Our site-based financial planning and budget approval processes include planning for local actions, such as site transition to green energy contracts and introduction of renewable energy, where feasible. In FY23 we introduced our TRuProfit™ model to ensure visibility of product and service costs, and we expect this model to be key to the ongoing analysis of the impact of climate-related costs across our business.

Extreme weather events may cause damage to our facilities and consequently disrupt our operations, and physical impacts are assessed at site level as part of the business insurance process.

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Compliance level – Full (FY23: not compliant)

Our new strategic direction is based on our four strategic initiatives:

- Margin management
- Focused growth
- Organisational effectiveness
- Operational efficiency

Our Business Model is built on three key competitive strengths:

- Supply chain simplification
- Engineering
- Manufacturing

See page 18 for more information.

Each of these areas are key to the sustainability of our organisation and is clearly linked to the climate-related risks and opportunities that we have identified.

During FY23 we carried out qualitative scenario mapping to support our understanding of climate-related risks and opportunities, which we expanded in FY24 to consider the specific geographies of our sites.

In FY24 we also used carbon price predictions from the IIASA NGFS Climate Scenarios Database, REMIND model to understand how changes in the carbon pricing may impact our European imports in the following scenarios:

- Net zero 2050
- Divergent net zero
- Nationally determined contributions

The three scenarios were chosen to provide the widest range of outcomes.

In order to gain the greatest understanding of the potential changes, we used a constant volume of imported goods and did not take into account the introduction of other regional CBAM schemes.

We used a single commodity code for steel products, and we assumed a constant default CO_2e value based on the current published figure without making any adjustment for secondary operations for products.

Our increased understanding of the likely impact of CBAM on our organisation and on the wider fastener industry has led us to prioritise engagement with our suppliers and internal teams on reporting data and we have carried out initial benchmarking on CO_2e calculations across key suppliers.

Understanding the administrative burden of the reporting has led us to engage with industry groups in lobbying for improvements to the European scheme, and with the UK Government consultation on the proposals for UK CBAM.

The creation of our sustainable supply chain strategy in FY25 will further support this work.

We have used the CBAM modelling as an input to our viability statement see page 76.

Climate-related Financial Disclosures continued

Risk management

Disclose how the organisation identifies, assesses and manages climate-related risks

a. Describe the organisation's processes for identifying and assessing climate-related risks

Compliance level – Full (FY23: partial)

Our site-based operational teams and our regional and functional teams identify, assess, own and manage climate-related risks and opportunities, including those linked to climate-related regulatory requirements. Throughout the year the Responsible Business Steering Committee and the interim CFO have received training from external advisers regarding new and changed climate-related legislation and horizon scanning for future changes.

Information is shared through our regional and functional management structure and updates are provided to the Responsible Business Steering Committee, who consider the wider risk to the Group as well as trends in climate-related risks and opportunities. The Network of Champions also provide feedback directly to the Steering Committee and functional and regional managers identify and alert senior management to emerging issues and changing risk scenarios through the normal course of their work.

All principal risks and opportunities are reviewed and scored for impact and likelihood quarterly by the risk owner and their nominated subject matter experts, they are also reviewed by the Risk Committee.

The risk department carry out horizon scanning activities and risk analysis to support the business teams and risk owners and to identify any emerging risks including new or changing climate-related legislation.

b. Describe the organisation's processes for managing climate-related risks

Compliance level – Full (FY23: not compliant)

See page 66

Climate-related risks are managed within our enterprise risk management framework. Decisions about how to mitigate risk are made based on the impact and likelihood of the risk occurring, and the cost of additional actions against the specific materiality for each area of the business. Group activities are guided by the members of the Steering Committee working with the business teams, e.g. to reduce Scope 1 and 2 emissions.

Physical risks are managed within operational regions and sites, where the teams establish and maintain business continuity plans. Our ISO 14001 certification underpins our environmental risk management.

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

Compliance level – Full (FY23: partial)

The impact of climate change on the Group's profitability is included as a principal risk due to the wide range of material impacts identified for both the associated risks and opportunities. Supply chain resilience is also considered a principal risk and includes an element of climate-related supply chain disruption.

The Company Secretary is the Executive Leadership Team member with management responsibility for climate-related matters and reports directly into the CEO on these issues. This includes developing and implementing transition plans, assessing and managing climate-related risks and opportunities and integrating climate-related items into Group strategy. The Company Secretary and members of the Responsible Business Steering Committee provide climate-related updates to the Responsible Business Committee, with support from specialist internal teams, Network of Champions and third-party advisers.

Climate-related risks and opportunities are fully integrated in our enterprise risk management system, which allows us to identify where risks are linked through cause and effect relationships. See our approach to risk management on page 66.

Climate-related Financial Disclosures continued

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management

Compliance level – Partial (FY23: not compliant)

Our climate-related risks are linked to our Scope 1, 2 and 3 GHG emissions, and our climate-related opportunities are linked to our percentage revenue by market sector.

During FY25 we will increase the range of metrics that we use to manage our climate-related risks and opportunities.

We have previously reported our Scope 1, Scope 2 and Scope 3 emissions, where Scope 3 included only business travel.

During FY24 we expanded our Scope 3 reporting to include the following categories:

- Category 1: supply chain emissions from purchased goods and services
- Category 7: employee commuting
- Category 15: investments

We have re-stated our FY23 emissions to include this data.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

Compliance level – Full (FY23: partial)

Our emissions data is provided on pages 48 to 50, and shows that our total emissions and all our emissions intensity factor metrics have decreased in FY24 compared to the previous year.

GHG emissions:

- Absolute Scope 1, Scope 2 and Scope 3 emissions
- Total emissions by region and business type
- Hours worked as FTE (Full Time Equivalent)
- Revenue – per £1k revenue
- Tonnes of CO_2e per m^2 (square metres of floor space occupied by the Company)

In establishing our NDC we transferred existing stock from our UK sites into our new warehouse, which as a specific activity adds to our UK emissions; however, the reduction in our UK footprint and the anticipated improved stock holding efficiency is expected to support a reduction in UK emissions over the next two years.

Closure of our UK manufacturing division will have reduced Scope 1 and 2 emissions; however, the equivalent emissions will have been added into Scope 3.

The complexity of emissions calculations has led to the use of standardised data for fastener commodities, including EU emissions factors for CBAM reporting and the use of spend-based analysis to calculate Scope 3 purchased goods and services data.

We are working with our factories and our supply chain to improve reporting data, and we have committed to establishing our sustainable supply chain strategy in FY25.

By expanding our Scope 3 emissions reporting, we have started the process to understand the year-on-year comparison, which will allow us to set targets for our Scope 3 reduction in FY26.

Our main source of emission factors is BEIS (2023), with other data selected to fill gaps or because it is deemed to be more accurate. IEA (2023) data is used for calculating emissions of non-UK, location-based electricity, while BEIS (2023) is used for calculating emissions of UK, location-based electricity.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Compliance level – Partial (FY23: partial)

Our key climate-related target is the reduction of Scope 1 and 2 GHG emissions by 67.2% by 2035 against the 2019 baseline (equates to a 4.2% reduction annually). In FY24 we have started to formally define our transition plan for Scope 1 and 2 emissions to be net zero by FY35.

20% of our Executive remuneration annual bonus targets are linked to the execution of the transformation plan and include specific sustainability objectives see page 112.

As we increase our range of metrics, we also plan to improve the use of targets in managing our climate-related risks and opportunities.

Risk management

Governance and process

The Board of Directors, through the Audit & Risk Committee (ARC), has overall responsibility for ensuring that Trifast has an appropriate and effective risk management and controls framework in place, which includes the determination of the nature and extent of risk it is willing to take to achieve its strategic objectives. Our Risk Management Policy defines how we expect risks to be identified, assessed and managed across our organisation.

Read about our Board and Committee Framework on page 79

Risks are described in terms of their impact and their likelihood and considered both before and after mitigation, which helps us review the effectiveness of our controls and risk treatment. Our risks are categorised within our risk framework, which helps us to ensure that our risk identification is comprehensive. A detailed annual review of risk is carried out and the effectiveness of our risk management and internal controls system is reviewed twice a year by the ARC.

Our Group Risk Committee meets three times a year to ensure that our risk assessment and reporting remains proportionate, aligned, comprehensive, embedded and dynamic (PACED). Our principal risks are reviewed quarterly by the risk owners and their nominated subject matter experts and the results of the review are fed into the Group Risk Committee.

The nature of our risks

Over the last 12 months there have been changes to both the internal and external context of our organisation. We have considered these changes and the types of disruption that could affect our operations to help us identify and define risks, including emerging risks. We have used a combination of horizon scanning, cross-functional collaboration and external sources (such as industry forums and global risk reports) to support our understanding and interpretation of risks.

Read more about stakeholder engagement on page 24

Externally, we have seen ongoing changes and uncertainty in the macroenvironment, which is creating a 'new normal' in the way that we work and an increase in the agility we need to demonstrate in responding to external challenges. We have also seen the impact of increased reporting requirements such as Carbon Border Adjustment Mechanism (CBAM), and plastic packaging taxes across all levels of our supply chain, as well as the increasing severity of the physical effects of climate change across transport networks globally.

Internally, leadership changes have brought a new 'tone from the top', delivering a more compliance-focused culture. We have established our UK National Distribution Centre (NDC), allowing us to consider a wider range of technological solutions to improve our process control and efficiency, whilst reducing our operational teams in some of our established geographical locations.

These changes are reflected in our emerging risks and in our principal risks.

Our approach to risk management

Our risk department was established in 2022 and initially set out to review and define the principal risks along with the leadership team. Over the last two years we have been improving and refining our approach to risk management, including the way that we describe our risks. We use a system of Enterprise Risk Management (ERM) which brings together all aspects of risk into one framework, including climate-related risks and opportunities.

During FY24 we focused on developing our risk maturity and we carried out extensive risk review sessions with our functional and regional teams, as well as exploring risk themes linked to compliance.

In describing our principal risks we have identified links to our strategy and viability assessments. We have identified sustainability and climate change as a principal risk, and we have also identified five climate-related risks which are described on pages 58 to 62.

In establishing our risk appetite we have considered the changes to our internal and external context, and their impact on our business model and strategy.

Emerging risks

Agility and speed of adaptation

In a rapidly changing world our ability to recognise each new challenge and opportunity as they develop and work with our suppliers to deliver customer solutions is critical to delivering our strategy.

AI and disruptive technology

Advances in technology help us to continually improve our customer service, and we anticipate that the use of AI in industry will produce a step change in technological solutions. The uncontrolled use of AI also brings a significant change in online threats and methods used to bypass cybersecurity.

Inventory management

In establishing our UK NDC we have packed and shipped products from our existing UK sites into one warehouse, requiring additional controls and management activities to ensure that the stock integrity is protected. There is opportunity to consolidate stock of the same items that were previously held at each location and improve inventory management.

Business continuity planning

The creation of the UK NDC increases the impact of any risk event on our customer service and drives a need for changes in our business continuity planning, whilst at the same time reduces the risk from legacy sites with known vulnerabilities including flooding.

Product development and changing customer requirements

Our customer needs are changing, we have seen a strong drive for product weight reduction for many years, more recently our customers are focusing on engineering solutions for sustainability including the 'right to repair' and recycling initiatives.

Our principal risks

Business transformation

Risk owner: Chief Executive Officer

Description

There is a risk that we will fail to achieve our planned business transformation improvements and their associated reduction in costs and efficiency enhancements

Why we think it's important

Business transformation is fundamental to the ongoing success of the Group in creating and delivering value for our customers and stakeholders, including technological solutions and innovation.

This risk also links to potential failure to sustain and improve operational performance during transformation; failure to optimise inventory; failure to engage stakeholders; failure to drive innovation; and failure to identify and mitigate disruption.

As we reshape our organisation, we inevitably introduce new risk, including insider risk.

How we are mitigating the risk

Our new focused business strategy and transformation plan is built on:

Defining our core strengths

- Reshaping the organisation to align with our strategy
- Investment in transformation skills
- Investment in key account and innovation engineering capability
- Aligning our value proposition to selected markets and geographies
- Targeted transformation projects to deliver agile and data-driven solutions

What's changed

The last few years have been challenging for many of our customers and for our business.

Our strategy journey will take us through three phases: Recovery, Rebuild and Resilience, with our initial focus on returning to positive margin growth, each stage will include a range of transformation activities as our business continues to evolve.

Materiality

Low	Medium	High
		■

Risk appetite

Low	Medium	High
		■

Likelihood

Possible	Likely	Very likely	Almost certain
■			

Impact

Individual	Function	Site	Region	Group
				■

Read more about

CEO review page 6

National Distribution Centre page 27

Our people page 39

Key to risks: Increase from 2023 | No change | Decrease from 2023 | Link to viability

Our principal risks continued

Operation in a volatile macroenvironment

Risk owner: Chief Commercial Officer

Description

There is a risk that economic contraction and geopolitical instability will disrupt existing markets and value chains, and that we will fail to take advantage of the new business opportunities that come from changes in global market sectors and customer drive for supply chain sustainability

Why we think it's important

Our global business teams operate across a range of sectors and geographies, each of which may be exposed to fluctuating demand and a range of constraints and opportunities.

The unpredictable nature of changes associated with this risk makes revenue forecasting increasingly difficult and requires the business to have greater flexibility in stock holding to support customer changes.

Changes in the macroenvironment provide opportunities in new and emerging market sectors.

How we are mitigating the risk

We recognise the need to focus on geographies and market sectors where we have the best alignment between our value proposition and customer needs, and to support this we have carried out an analysis of our competitive positioning. We have identified market sectors for future growth within our short (1-3 years) and medium (3-15 years) time horizons.

Implementation of the TRuProfit™ model through our GAD/SAM sales structure, functional and regional business support helps us maintain focused margin management and value-based customer and supplier engagement.

Development of our 'Connect360' technology platform to build on value creation opportunities, and our 'Virtual Engineer' project to connect customers to our website product listings.

What's changed

We recognise that in the last 12 months geopolitical risk has been normalised and is driving requirements for greater supply chain agility and adaption to change.

Customer demand across key market sectors is increasingly difficult to predict and the emphasis has shifted from the external environment, to our ability to adapt to changing customer requirements and manage changing supply chain costs.

Materiality

Low | Medium | **High**

Risk appetite

Low | **Medium** | High

Likelihood

Possible | **Likely** | Very likely | Almost certain

Impact

Individual | Function | Site | Region | **Group**

Read more about

Our new strategic direction page 10

What our customers want page 15

Technology page 9

Key to risks: Increase from 2023 | No change | Decrease from 2023 | Link to viability

Our principal risks continued

Non-compliance with legal or regulatory requirements

Risk owner: Company Secretary

Description

There is a risk of unintentional failure to comply with international and local legal and regulatory requirements

Why we think it's important

Our global footprint requires us to comply with differing laws and regulations across our sites, and our customers require us to maintain certification against global quality management standards (including ISO 9001, IATF 1649, ISO 14001, EN 9120, ISO 27001 and Cyber Essentials). We expect all areas of our business to fully comply with applicable laws and regulations and the Trifast Code of Conduct.

How we are mitigating the risk

The Trifast Code of Conduct is supported by our Group policies, compliance-based training modules and our vision for One TR.

The launch of our Integrated Management System in FY25 will support the work of our control functions (Finance, IT, HR, EHS, Quality and Engineering) in setting policies and procedures, and communicating them throughout the business.

Our internal audits assess compliance with Group policies, and a whistleblowing hotline is available for use by all employees. Insurance covers all standard categories of insurable risk.

We monitor legislative changes, including those relating to climate-related matters through external advisers, training and engagement with national and global industry trade associations.

What's changed

During FY24 the Carbon Border Adjustment Mechanism (CBAM) reporting requirements were introduced in Europe and similar schemes are anticipated in other regions. We saw a range of requirements for plastic packaging declarations within Europe, the UK and the USA.

These requirements all increase the need for data collection and reporting from all parties in the supply chain to demonstrate compliance. In addition, where our customers are affected by additional reporting requirements, these obligations need to be supported by upward reporting of product and supply chain data.

Materiality

Low | Medium | **High**

Risk appetite

Low | Medium | High

Likelihood

Possible | Likely | Very likely | Almost certain

Impact

Individual | Function | Site | Region | **Group**

Read more about

Governance section page 78

Audit & Risk Committee report page 96

Key to risks: Increase from 2023 | No change | Decrease from 2023 | Link to viability

Our principal risks continued

Sustainability and climate change

Risk owner: Company Secretary

Description

There is a risk that sustainability and climate change risks and opportunities will impact the profitability of the business

Why we think it's important

Fasteners are produced using energy-intensive processes and are shipped around the world to meet customer demand, resulting in a significant carbon footprint.

Climate-driven changes in materials and technology are expected to create new customer applications, new market sectors and new opportunities.

Climate change mitigation is expected to drive new requirements for compliance and supporting data, as well as drive legislation to improve sustainability.

Failure to mitigate and adapt to the challenges and opportunities associated with climate change may have a significant impact in all areas of our business.

How we are mitigating the risk

Working with our supply chain and industry groups to meet our CBAM reporting obligations and using published data to understand the impact of anticipated changes in carbon pricing on our business.

Using a 'Think Global, Act Local' approach to our supply chain management, near shoring our supply chain where possible, and implementing our Quality & Sustainability Agreement with our top suppliers.

Improving the efficiency of our manufacturing processes and using solar panels to generate electricity where possible.

Working with customers on weight reduction of components and innovation projects to increase the recycled content of products.

Aligning our value proposition with our core customer needs and expectations, developing our Connect360 customer engagement solution and focusing on anticipated high-growth sectors.

What's changed

Sustainability and climate-related issues are increasingly driving legislation and changing customer and stakeholder requirements for compliance, assurance and related data.

Introduction of CBAM reporting requirement in Europe and consultation underway for UK CBAM is driving awareness of the fastener carbon footprint, and associated actions to improve manufacturing efficiency and sourcing of raw materials from more sustainable sources.

The increasing availability of renewable energy solutions is providing opportunities for more sustainable electricity contracts in some of our regions and enabling the use of direct solar power at some of our sites.

Changes in consumer demand are driving changes in market sectors, providing opportunities for new and existing customers.

Changes in materials processing technology create opportunities for product development, particularly in recycled content of components.

Materiality

Low | Medium | **High**

Risk appetite

Low | **Medium** | High

Likelihood

Possible | Likely | **Very likely** | Almost certain

Impact

Individual | Function | Site | Region | **Group**

Read more about

Our planet page 47

Climate-related Financial Disclosures page 55

Climate-related risks and opportunities page 58

Key to risks: Increase from 2023 | No change | Decrease from 2023 | Link to viability

Our principal risks continued

Cyber intrusion and data loss

Risk owner: Global Technology Director

Description

There is a risk of failure to adequately protect against cyber fraud and information security risks at a global level

Why we think it's important

Cyber intrusion poses a significant risk to operational disruption, reputational damage, regulatory fines and other financial impacts.

For some market sectors, eligibility for new business is dependent on our ongoing maintenance of the Cyber Essentials certificate.

The global nature of our operations exposes us to constantly changing geo-political tensions which could increase the risk of cyberattacks.

How we are mitigating the risk

We have Group IT support for our networked applications.

We use a combination of in-house and third-party penetration testing.

We carry out regular Cybsafe training and awareness campaigns.

We maintain our Cyber Essentials certificate and insurance.

We use cloud-based software solutions wherever possible

We have segregation within our IT infrastructure.

What's changed

Cyberattacks are becoming more sophisticated and frequent, advancements in artificial intelligence (AI) have become pivotal in both offence and defence. Cyber criminals increasingly use AI-driven tools to orchestrate targeted attacks, and organisations must leverage powered security solutions to anticipate and mitigate emerging threats.

Cyberattacks are increasingly aimed at companies such as our high-profile OEM customers. Attackers have been known to exploit weaknesses in the supply chain to gain access to OEM systems.

Materiality

Low	Medium	High
		■

Risk appetite

Low	Medium	High
■		

Likelihood

Possible	Likely	Very likely	Almost certain
■			

Impact

Individual	Function	Site	Region	Group
				■

Read more about

Operation in a volatile macroenvironment page 68

Non-compliance with legal or regulatory requirements page 69

Business transformation page 67

Key to risks: Increase from 2023 | No change | Decrease from 2023 | Link to viability

Our principal risks continued

Supply chain resilience

Risk owner: Global Supply Chain Director

Description

There is a risk that the supply chain is not resilient enough to support the changing market expectations for supply chain reporting

Why we think it's important

An effective, efficient supply chain is fundamental to maintaining a competitive edge, and the resilience of our suppliers is key to maximising commercial opportunities in new and emerging market sectors.

In the last 12 months, we have seen significantly increased administration requirements and associated costs linked to product compliance declarations.

Increasing exposure of the supply chain to end customers through declarations and compliance audits may result in an increased interest in customers purchasing direct from our manufacturers.

How we are mitigating the risk

Our transformation strategy builds on defining our core strengths and reshaping the organisation to align with our strategy, which includes focused supply chain engagement through supplier account owners.

We are working with industry groups to understand new and emerging compliance-based reporting requirements (such as CBAM).

We are working with our core supply chain to implement our Quality & Sustainability Agreement and to identify where supply chain development initiatives may be required.

What's changed

Flow-down of the German Supply Chain Due Diligence Act through our key customers.

The introduction of CBAM reporting for product supplied to Europe.

Plastic packaging tax in UK and Europe.

Changes in supply chain requirements in India.

Increasing tariffs and anti-dumping duties as a result of geopolitical and market instability.

Materiality

Low | **Medium** | High

Risk appetite

Low | **Medium** | High

Likelihood

Possible | **Likely** | Very likely | Almost certain

Impact

Individual | Function | Site | **Region** | Group

Read more about

Supply chains page 51

Ethical business practices page 53

Carbon Border Adjustment Mechanism page 58

Supply chain disruption page 59

Key to risks: Increase from 2023 | No change | Decrease from 2023 | Link to viability

Our principal risks continued

Product failure

Risk owner: Global Head of Quality

Description

There is a risk of product failure in customer applications resulting in non-compliance with standards, financial loss and reputational damage

Why we think it's important

Fasteners are designed to perform a specific function within a finished product, and their safe use is reliant not only on the manufacturing processes by which they are produced, but also the design specification and selection for their intended use.

Technical review of customer orders through the discipline of Advanced Product Quality Planning (APQP) has always been a key aspect of our automotive new business process.

How we are mitigating the risk

In our manufacturing sites, our engineers work to refine tool design, production processes and efficiencies, to ensure that parts are manufactured to the correct specification, are fit for purpose and that the quality is right first time.

Our engineers look for opportunities to take part in customer Value Analysis and Value Engineering (VAVE) initiatives and engagement of Trifast engineers in the design process allows fully integrated fastener solutions.

Our widespread experience in multiple applications and markets allows us to support customers in making the best design decisions, and our 'Virtual Engineer' project is designed to connect customers to our website product listings.

What's changed

Changes in national and international fastener standards, including the withdrawal of legacy standards, are highlighting gaps in fastener engineering knowledge throughout the industry.

Climate change and sustainability are driving improvements in manufacturing and materials technology as well as the need to reduce component weight and increase the recycled content of components.

Materiality

Low | **Medium** | High

Risk appetite

Low | Medium | High

Likelihood

Possible | **Likely** | Very likely | Almost certain

Impact

Individual | Function | **Site** | Region | Group

Read more about

Design for environment page 51

Carbon footprint of products page 61

Key to risks: Increase from 2023 | No change | Decrease from 2023 | Link to viability

Our principal risks continued

Failure to attract, engage and retain talent

Risk owner: Global Transformation and HR Director

Description

There is a risk that we will fail to engage employees in each of the phases of our transformation plan

Why we think it's important

Our people are our biggest asset so our ability to retain and develop talent is key to the delivery of our strategy. Talent management is one of the key drivers of our success, and our learning and development programme is crucial to upskilling our people, retaining top talent and attracting new candidates in an increasingly competitive marketplace.

We have a loyal, skilled and experienced team who have helped us deliver the initial stages of our transformation plan and we rely on our ability to attract, engage and retain talent to meet our objectives.

How we are mitigating the risk

Our One TR initiative will help us deliver our vision across the organisation and embed our culture supported by new values.

We are creating a direct alignment between our company culture and our reward strategy.

We have adopted a top-down approach to internal communication through CEO videos, regional and functional flow-down of information through the Executive Leadership Team and Senior Leadership Teams, which supports the alignment of staff with strategic goals and objectives.

We continue to engage with our teams through site visits, engagement surveys, our Employee Voice and whistleblowing programme, which are supported through the appointment of our Designated Non-Executive Director for workforce engagement.

What's changed

We have started to reshape the organisation to align with our business strategy, creating a structure of four regional leadership teams, supported by six central enabling functions.

The results of our FY24 engagement survey showed a reduced score, which was expected based on the restructuring activities in the UK. Our talent management and succession planning is focused on senior and business critical roles, and is the subject of review, and to support our strategic priorities we have brought in additional expertise in key areas. In light of the organisational changes and the changing shape of our organisation, there is an increased insider risk.

Materiality

Low | **Medium** | High

Risk appetite

Low | **Medium** | High

Likelihood

Possible | Likely | Very likely | Almost certain

Impact

Individual | Function | Site | Region | **Group**

Read more about

CEO review page 6

Stakeholder engagement page 24

Our people page 39

Key to risks: Increase from 2023 | No change | Decrease from 2023 | Link to viability

Our principal risks continued

Failure to prevent harm in our facilities

Risk owner: Global Environment - Health & Safety Director

Description

There is a risk of failure to protect our employees, resulting in personal injuries/death, reputational harm, increased insurance premiums and other financial penalties and costs

Why we think it's important

People are Trifast's most important asset and preventing harm to our team is a moral obligation, and a legal requirement.

Poor performance can affect our ability to operate efficiently, impacting on employee retention, and resulting in regulatory penalties and civil costs.

Process safety and personal injury incidents at our sites can impact our capability to service our internal and external customers.

How we are mitigating the risk

As a part of One TR we are developing a global approach to improving health and safety standards and driving consistency throughout the business.

We are developing accountability across all our sites and regions, defining clear objectives and targets for safety, whilst promoting the ownership for safety within our leadership and management structure.

Increased performance tracking through improved recording of lagging indicators.

Establishing appropriate leading indicators to support proactive improvement.

What's changed

Supporting the health, safety and wellbeing of our team continues to be a core priority for our business. Over the last 12 months our 'Tone from the top' has changed, increasing the focus and prioritisation of health and safety within the business.

Changes to our UK facilities over the last 12 months include the set up of our National Distribution Centre, and the use of forward-stocking locations.

A dedicated senior role has been created to facilitate additional momentum and ownership of H&S.

Materiality

Low | **Medium** | High

Risk appetite

Low | Medium | High

Likelihood

Possible | Likely | Very likely | Almost certain

Impact

Individual | Function | Site | Region | **Group**

Read more about

Our culture and values page 11

Health, safety and wellbeing page 45

Key to risks: Increase from 2023 | No change | Decrease from 2023 | Link to viability

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the long-term viability of the Group over the three-year period to March 2027.

This assessment was to determine whether there is a reasonable expectation that the Group will be able to meet its liabilities as they fall due over the specified period of time. In assessing the Group, the Directors considered:

- The prospects of the Group, taking into account the potential impact of key risks and uncertainties
  - These risks are detailed on pages 67 to 75
- The Group's current financial position, as well as its financial projections in the context of the Group's cash and debt facilities and associated covenants
  - The financial position of the Group, its cash flows and liquidity are highlighted in the financial review on pages 28 to 35, the Group's assessment on going concern is detailed on page 168 and 169
- Its strategy and transformation programmes
  - The Group's business activities and strategy and other factors likely to affect its future development, performance and position are set out in the strategic report on pages 10-19
- The impact of CBAM and other climate-related risks on pages 58 to 62

The viability assessment period of three years aligns with the Group's forecasts, the term of the RCF and availability period of the UKEF – EDG facility (see banking facilities section). It is also the period reviewed by the Board in its strategic planning process.

These financial projections are based on a bottom-up budgeting exercise for FY25 which has been approved by the Board and a more top-down view aligned to the Group's strategic objectives for FY26 and FY27.

The Group's base projections indicate that the current cash and debt facilities and expected future facility headroom remain more than adequate to support the Group over the next three years.

The Group's financial covenants, tested on a quarterly basis, for its banking facility are:

- Leverage: net debt to adjusted EBITDA, excluding IFRS 16, of less than 3.0x

With the support of lenders and UKEF we temporarily reduced interest cover to 3.25x for December 2023 and March 2024 quarterly covenant periods and post year end formally agreed to amend the interest cover covenant to:

- Up until 30 September 2025 covenant period – 3.25x
- 31 December 2025 – 30 September 2026 covenant periods – 3.5x
- Thereafter it will return to the original 4.0x levels

Stress-testing

Management assessed the financial impact of a number of severe but plausible downside scenarios (both individually and in combination) by overlaying them against the three-year business plan.

If future trading performance significantly underperformed expectations, management would maintain liquidity and continue in operation by carefully managing the Group's cost base and working capital, taking actions such as:

- More radical short-term cost reduction
- Reducing capital expenditure
- Negotiating a further interest rate cover amendment
- Accessing new external funding early

The viability base case has been subjected to downside sensitivity analysis involving flexing several of the underlying main assumptions and sensitivities, considering the principal risks and uncertainties set out on pages 67 to 75.

Viability statement continued

Stress – testing continued

Scenario	Associated principal risks	Associated climate-related risks	Level of severity tested
Reduced volume/loss of a key customer	Volatile macroenvironment Sustainability and climate change Supply chain resilience	Supply chain disruption Carbon footprint of products Market sector changes	33% reduction of a specific revenue stream
Reduction in trading levels across and higher Group stock holdings as a result of supply chain issues	Volatile macroenvironment Sustainability and climate change (CBAM specifically) Supply chain resilience	Carbon footprint of manufacturing processes Carbon footprint of products	20% reduction of trading in key region with 10% higher stock holding
Reduced margins in a key sector	Volatile macroenvironment Sustainability and climate change Supply chain resilience Product failure	Carbon Border Adjustment Mechanism Supply chain disruption Carbon footprint of manufacturing processes Carbon footprint of products	5% margin reduction in our largest sector
Significant one-off expenditure (line stop and obsolete stock)	Volatile macroenvironment Sustainability and climate change Compliance Product failure	Supply chain disruption Carbon footprint of manufacturing processes Carbon footprint of products	£10.0m in exceptional costs, with £7.6m increase in net debt
Material increase in working capital due to supply chain issues	Volatile macroenvironment Sustainability and climate change Product failure Supply chain resilience	Supply chain disruption	Ten working day increase for all sectors
Impact of Carbon Border Adjustment Mechanism (CBAM)	Sustainability and climate change	Carbon border adjustment mechanism	Cost of CBAM estimated from current carbon pricing forecasts and current volumes imported into Europe

Further information on CBAM included in the Climate-related Financial Disclosures on page 58.

None of the above scenarios result in a breach of our leverage covenant, however, we would breach our interest cover covenant in all scenarios during the three year assessment period, other than the significant one-off expenditure or the CBAM scenarios. In the event of an interest cover breach, we would request another waiver from our banking partners, and if granted this will have a financial cost but would not impact our ability to meet our liabilities. We are focused on reducing our net debt and hedging interest rates to mitigate the risk.

We continue to address the interest rate risk by managing our net debt position and are confident that we can reduce our working capital further in 2025. Our scenario testing assumes a worse case position and does not assume a reduction in EURIBOR, SONIA and SOFR.

To further determine the level of downside required before the Group would be at risk of breaching its debt covenants, the Group applied reverse stress testing to our viability case, which indicated the following:

- A fall of c.14% in revenue (assuming reduction in EBTIDA has an equal increase on net debt) or an increase in net debt by >£25.0m would be required before a breach in the leverage covenant
- A fall of c.10% in revenue or an increase of >£2.5m in interest cost would be required before a breach in the interest cover covenant

At 31 March 2024, interest cover was 3.6x (FY23: 7.8x). Forecast projections show headroom increasing on the covenants as we see the higher interest charge months fall out of the rolling 12-month calculation. There is also increased focus on cash efficiency to pay down borrowings and reduce interest charge with additional projects being considered in FY25 to further enhance cash efficiency.

Conclusion

After considering the risks identified and based on the assessments completed, the Directors believe that there is a reasonable expectation that the Company will be able to continue to operate and meet its liabilities as they fall due over the next three years. This longer-term assessment process supports the Directors' statements on both viability and going concern.

The strategic report was approved by the Board of Directors on 26 July 2024 and signed on its behalf by:

Serena Lang
Non-Executive Chair

Trifast House, Bellbrook Park, Uckfield, East Sussex TN22 1QW

Company registration number: 01919797

Chair's introduction to governance

Serena Lang
Chair

The Board strives to ensure that we all understand the views of the Company's stakeholders and that we incorporate those views into our decision-making process

Dear shareholder,
On behalf of the Board, I am pleased to present the corporate governance report for the year ended 31 March 2024.

The Board and its Committees had another busy year, where we have supported both management and Board changes, as well as continuing to review and reframe all aspects of our strategy and business model. Our governance framework, described in more detail on page 79, promotes robust corporate governance processes and ensures we have the necessary resources in place for the Group to meet the strategic objectives and measure performance against them. We have set out some of the most important decisions in FY24, including the decision to review the strategy of the Group on page 10.

Stakeholder engagement

The Board strives to ensure that we all understand the views of the Company's stakeholders and that we incorporate those views into our decision-making process. Throughout the year we undertook a range of investor and shareholder meetings on a variety of different topics, and we look forward to further discussions with you at our Annual General Meeting on 10 September 2024. Clearly, with both Iain and I being new to the Board, we have ensured that we met as many TR employees as possible when we have visited our facilities and offices in Asia, USA and Europe, and you can read more about this on pages 24 and 40 (employee engagement). Additionally, the Directors have spent time engaging with other stakeholders across our business, and you can read more about this engagement on pages 24 to 26.

Chair's introduction to governance continued

Board changes

We have made several changes to the Board and Committee membership during 2023 and early 2024, bringing in new perspectives and useful experience to enrich our discussions and support on the delivery of our strategy. I was delighted to welcome both Nicholas Mills and Laura Whyte as new Non-Executives in October 2023 and March 2024 respectively, and we welcome Iain Percival as Chief Executive Officer in September 2023 and Kate Ferguson as interim Chief Financial Officer from February 2024. You can read more about the appointment process for Iain, Nicholas, Laura and Kate in the Nomination Committee report on page 91.

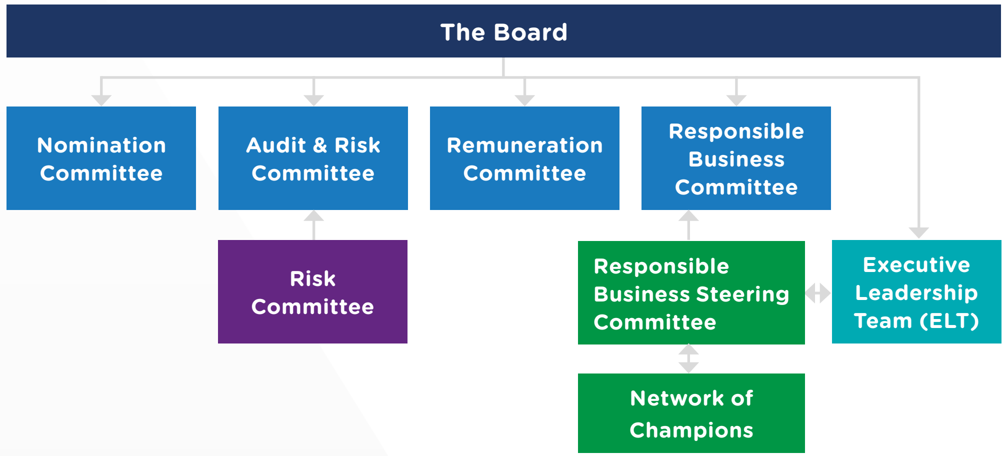
We also said goodbye to Jonathan Shearman, Claire Balmforth, Scott Mac Meekin and Darren Hayes-Powell. I would like to express my thanks to each of them for their valuable contributions to the Board over the course of their respective tenures.

Board effectiveness

In 2023, the Board and Committees were evaluated with the assistance of Gould Consulting to ensure that we continue to operate as effectively as possible and to offer opportunities for further enhancements. Given the Board changes throughout the period, we have scheduled to undertake a further review later in 2024. Overall, I am very happy with the Board's input and contribution and feel comfortable that as a collective unit, along with the Committees, ensure robust governance and oversight to the Company's activities. However, I always recognise there is room for improvement, which is why we will continue with our Board effectiveness review later this year.

On behalf of the Board, I confirm that we consider that this Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Company's position, performance, business model and strategy.

Board and Committee framework



Details of our Board Committees can be found on the Company's website at www.trifast.com

Chair's introduction to governance continued

Conflicts of interest

The Company has a formal procedure in place to manage the disclosure, consideration, and if thought fit, authorisation of potential conflicts of interest. Each Director is aware of the requirement to notify the Board, via the Company Secretary, as soon as they become aware of any potential future conflict or any material change to a pre-existing authorisation. Upon receipt of any such notification, the Board considers each conflict situation separately on its particular facts, in conjunction with the rest of the potentially conflicted Director's duties under the Companies Act 2006. The Board retains records of any decisions taken, authorisations granted and the scope of approvals given, and regularly reviews conflict authorisations previously granted.

Nicholas Mills has declared his conflict on the basis of his role at Harwood Capital Management, a material shareholder in the Company. This conflict is noted in the minutes at the start of every meeting attended by Nicholas, and he has agreed to recuse himself from any discussion concerning the relationship between the Company and Harwood Capital Management.

None of the other Non-Executive Directors has any material business or other relationships with the Company or its management.

Directors information and advice

The Company Secretary manages the provision of accurate, timely and clear information to the Board at appropriate intervals in consultation with the Chair and Chief Executive Officer and assists with ensuring that the Board has the policies, processes, time and resources it needs in order to function effectively. In addition to formal meetings, the Chair, Chief Executive and Company Secretary all maintain regular contact with Directors and work together to ensure that the Board and Committee governance processes remain fit for purpose.

All Directors have access to the Company Secretary, who is responsible for advising the Board on all governance matters. Additionally, all Directors have access to independent professional advice at the Company's expenses if they judge it necessary to discharge their responsibilities as Directors.

Induction, training and development

All Directors receive a full, formal and tailored induction programme upon joining the Board, with the programme of sessions personalised by the Company Secretary to reflect the incoming Director's skills, experience, knowledge and role within the Board and its Committees.

Serena Lang commenced her induction following her appointment in August 2023, with a handover from Jonathan Shearman, followed by a visit to the Asia operations in September, various visits to UK and European operations from October to February 2024, and visiting the USA operations in March 2024. Serena has also met and spoken to most of the material investors, analysts, the principal brokers and other Company stakeholders including external legal advisers and auditors.

Nicholas Mills received a comprehensive company induction session from the Company Secretary when he joined in October 2023, and has had the opportunity to visit TR Italy (May 2024) and will visit the National Distribution Centre in June 2024.

Laura Whyte had a comprehensive handover from the outgoing Remuneration Committee Chair, followed by a corporate induction from the Company Secretary. Laura also received a specific focus on executive remuneration matters including meetings with the Committee's UK remuneration consultants, PwC.

Under the direction of the Chair, the Company Secretary is responsible for arranging Board training throughout the year and assisting with professional development as required. Training is built into our annual Board agenda at regular intervals and is facilitated by both internal specialists and external advisers. The menu of topics is carefully designed to develop and update Directors' knowledge and capabilities, with a view to enhancing Director effectiveness on the Board and its Committees.

During the year, the Board received briefings on a variety of topics, including key legal and regulatory developments, safety developments, market developments and the UK takeover regime.

Chair's introduction to governance continued

Compliance with the UK Corporate Governance Code 2018

Throughout the year ended 31 March 2024, the Company complied with all provisions of the UK Corporate Governance Code 2018 (the 'Code').

The Company acknowledges the revised UK Corporate Governance Code 2024, applicable to accounting periods beginning on or after 1 January 2025, with the exception of Provision 29 which is applicable for accounting periods beginning on or after 1 January 2026. During FY25, we will review the Code and comply or explain as appropriate.

The Company's auditor, BDO, is required to review whether this statement reflects the Company's compliance with those provisions of the Code specified for their review by the Financial Conduct Authority's Listing Rules and to report if it does not reflect such compliance. No such report has been made.

Section	Compliance	Read more
Board leadership and Company purpose	The Board has established a clear purpose, set of values and strategy and through its governance framework ensures these and the Company's culture are aligned	Pages 78 to 84
Division of responsibilities	The structure of the Board and its Committees brings balance, expertise and a comprehensive understanding of the business at all levels	Pages 79, 85 to 87 and 94 to 95
Composition, succession and evaluation	The Board is sufficiently well equipped to ensure that the Group continues to be governed by suitably qualified people with a combination of skills, experience and knowledge to effectively lead the business	Pages 88 to 93
Audit, risk and internal control	The Board has established clear policies and procedures to ensure the integrity and compliance of the financial and narrative information. Our established risk management and internal controls framework continues to be developed and we have implemented key mitigation actions, lowering our residual risk significantly in some areas	Pages 96 to 103
Remuneration	There is a clear policy on executive remuneration that is aligned to the Company's strategy and includes measures on the Company's ESG targets	Pages 104 to 146

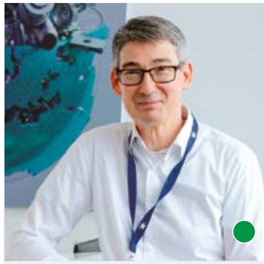
The Board

Serena Lang
Independent Non-Executive Chair (53)

Length of service
Appointed to the Board on 10 August 2023

Key areas of expertise
Serena is an experienced FTSE Chair and Board member. Her executive career spanning more than 20 years across multi-sector industries both in the UK and internationally has allowed Serena to develop her skills and understanding of commercial business, at varying stages of growth covering strategy, transformation and M&A

Other directorships
Non-Executive Director at Henry Boot PLC and Ainscough Crane Hire Limited



Iain Percival
Chief Executive Officer (56)

Length of service
Appointed to the Board on 20 September 2023

Key areas of expertise
Iain holds a BSc (Hons) Mechanical Engineering degree and, over a 30-year career, has worked in divisional leadership positions within a number of international manufacturing businesses. An experienced industrialist, Iain has also gained significant experience within transformational change environments with a key focus on cost down, supply chain productivity initiatives, effective supply chain management and manufacturing efficiencies

Kate Ferguson
Interim Chief Financial Officer (51)

Length of service
Appointed as interim Chief Financial Officer on 22 February 2024; joined Trifast on 21 August 2023

Key areas of expertise
Kate holds a business degree gained in Australia where she majored in accountancy, business law and taxation. She qualified as an accountant in 1996 (Australia) and 2008 respectively (England & Wales). Over a 20-year career she has held a number of senior financial roles across a variety of industries, both private and plc entities. She also has knowledge of IT and administration

Clive Watson
Senior Independent Non-Executive Director (66)

Length of service
4 years; appointed to the Board on 30 July 2020

Key areas of expertise
Chartered accountant with extensive experience in industry both in the UK and internationally. Retired in 2019 as Group Finance Director at Spectris plc

Other directorships
Senior Independent Non-Executive Director at Breedon Group plc (Audit & Risk Chair), Non-Executive Director at discoverIE Group plc (Audit & Risk Chair) and Kier Group plc (Audit & Risk Chair). Clive also holds a school governor position with St. Helen's School, Northwood, London, and has Directorships with St. Helen's Enterprises Limited

Committee memberships
- Nomination Committee
- Audit & Risk Committee
- Remuneration Committee
- Responsible Business Committee
- © Committee Chair

- Chair | **14%**
- Executive | **29%**
- Independent NED | **43%**
- NED | **14%**

- Male | **57%**
- Female | **43%**
- Not specified | **0%**

The Board continued

Louis Eperjesi
Independent Non-Executive Director (62)

Length of service
Appointed to the Board on 3 January 2023

Key areas of expertise
Louis has had an executive career within the building industry both in the UK and internationally. He has significant commercial knowledge of manufacturing and supply, strategic planning and M&A. Louis was previously CEO at Tyman plc (2010-2019), and prior to that held senior management roles with Kingspan Group plc, Baxi Group Ltd, Lafarge SA and Caradon plc

Other directorships
Non-Executive Director at Accys Technologies plc, Ibstock plc and Howden Joinery Group plc (appointed June 2023)

Laura Whyte
Independent Non-Executive Director & Designated NED (65)

Length of service
Appointed to the Board on 11 March 2024

Key areas of expertise
Laura, having worked in a number of organisations within the listed, private and charitable sectors, is an experienced operational and Non-Executive Director with a strong focus on brand, customer and workforce engagement and responsible business

Other directorships
Non-Executive Director at Macfarlane Group plc and Capital and Regional plc

Nicholas Mills
Non-Executive Director (33)

Length of service
Appointed to the Board on 20 October 2023

Key areas of expertise
Nicholas worked at New York based Gabelli Asset Management from 2014-2019 where he focused on equity research, investments, merger arbitrage strategies and marketing closed-end funds. In 2019 Nicholas returned to the UK to join Harwood Capital LLP

Other directorships
Nicholas is a fund manager and Director of Harwood Capital LLP, who are a current shareholder in Trifast. In addition to his executive roles within the Harwood Group, Nicholas is a Non-Executive Director with AIM listed Hargreaves Services plc and NOIX Group plc

Thank you to outgoing Board members during FY24
We would like to thank each Director for their service and contribution and wish them and their families well for the future.

Jonathan Shearman
Independent Non-Executive Chair

Resigned 14 September 2023

Scott Mac Meekin
Interim Chief Executive Office

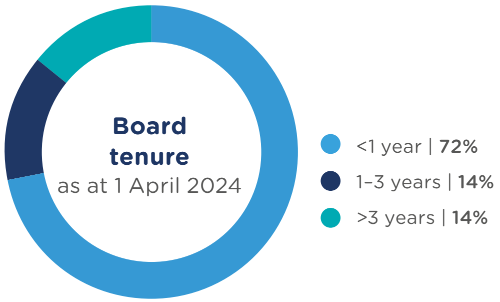
Resigned from the Board 19 September 2023; left the Company 19 February 2024

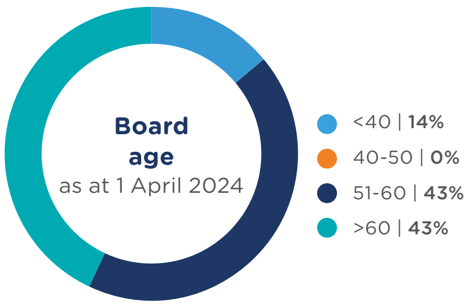
Darren Hayes-Powell
Chief Financial Officer

Left 21 February 2024

Claire Balmforth
Independent Non-Executive Director

Retired on 1 April 2024





Christopher Morgan
Company Secretary

Length of service
2 years; appointed as Company Secretary on 4 April 2022

Key areas of expertise
A Fellow of the Chartered Governance Institute and solicitor, Christopher has held senior governance, legal and compliance roles at FTSE listed/equivalent companies in Europe and Asia, working across sectors in energy, engineering and automotive

Compliance
The Board recognises the importance of its composition and diversity and remains committed to good corporate governance. We believe that a wide range of knowledge, skills and experience are among the essential drivers of Board effectiveness. The Board continue to seek to specifically meet the diversity and gender targets for UK Listed entities.

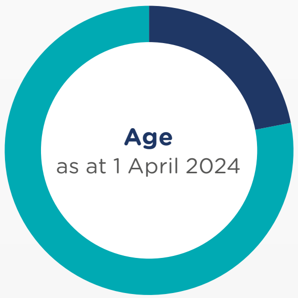
Trifast believes the structure of the Board and its Committees brings balance and deep understanding of the business at both Board and operational levels.

The Executive Leadership Team

In addition to our Chief Executive Officer and interim Chief Financial Officer, the Executive Leadership Team comprises the Regional Managing Directors, Central Enabling Function Directors and the Company Secretary.

The teams' composition allows the business to be sufficiently agile and ensure that key opportunities and operational decisions are handled in a more effective and appropriate manner.

Female | **22%** Male | **78%**



<40 | **0%** 51–60 | **78%**
40–50 | **22%** >60 | **0%**

Iain Percival
Chief Executive Officer (56)

See page 82 for biography.

Kate Ferguson
Interim Chief Financial Officer (51)

See page 82 for biography.

Dan Jack
Chief Commercial Officer & MD UK & Ireland (50)

Giovanni Cespedes
MD North America (47)

Andy Nuttall
MD Europe (58)

Jeremy Scholefield
MD Asia (56)

Colin Coddington
Global Technology Director (55)

Oshin Cassidy
Interim Transformation & HR Director (57)

Christopher Morgan
Company Secretary (53)

Read more about our Executive Leadership Team on our website at www.trfastenings.com/company/leadership/executive-committee

Corporate governance report

The Board

One of the Board's principal responsibilities is the creation and delivery of sustainable shareholder value by promoting the long-term success of the Company and ensuring robust corporate governance.

The Board also determines the strategic direction of the Group along with their continued review of financial and operational matters. The Board has a formal schedule of matters specifically reserved for it, which includes:

- Development and approval of the Group's strategic aims and objectives
- Approval of annual operating and capital expenditure budgets
- Oversight of the Group's operations
- Approval of the Group's announcements and financial statements
- Approval of new bank facilities or significant changes to existing facilities
- Declaration and recommendation of dividends
- Approval of major acquisitions, disposals and capital expenditure
- Succession planning and appointments to the Board and its Committees
- Review of the Group's corporate governance arrangements and reviewing the performance of the Board and Committees
- Maintenance of internal control and risk management systems
- Approval of the division of responsibilities between the Chair, Chief Executive and other Executive Directors and the terms of reference of the Board Committees

Chair

Serena Lang is Chair of the Board. The Chair sets the Board's agenda and promotes a strong culture of engagement, challenge and debate. Serena plays an important role in investor relations and regularly liaises with shareholders.

The Chair's terms of reference are:

- Chairing Board meetings, setting agendas in consultation with the Chief Executive Officer and encouraging the Directors to participate actively in Board discussions
- Leading the performance evaluation of the Board, its Committees and individual Directors
- Promoting high standards of corporate governance
- Ensuring timely and accurate distribution of information to the Directors
- Ensuring effective communication with shareholders
- Periodically holding meetings with fellow Non-Executive Directors without the Executive Directors being present
- Establishing an effective working relationship with the Chief Executive Officer and Company Secretary by providing support and advice whilst respecting executive responsibility

Chief Executive Officer

Iain Percival is responsible for the day-to-day management of all the Group's activities and the implementation and delivery of the Board's strategic objectives. He promotes strong cultural values and standards and maintains good relationships and communications with investors and other stakeholders. He ensures operational policies drive appropriate behaviours, leads the Executive Leadership Team, including talent development and succession planning, and manages overall business performance.

Company Secretary

Christopher Morgan is the Company Secretary and is responsible for governance, regulatory and legal compliance as well as assisting the Chair in preparation for, and the effective running of, Board and Committee meetings. The Company Secretary facilitates Board and Senior Management inductions, arranges Board training and assists with professional development as required. He also ensures Directors have access to independent professional advice, at the Company's expense, where they judge it necessary to discharge their responsibilities as Directors of the Company.

Senior Independent Director

Clive Watson, as the Senior Independent Director and Chair of the Audit & Risk Committee, acts as a conduit for all Directors, providing support, advice and guidance when required. He acts as a sounding board for the Chair, leads (at least annually) discussions amongst Non-Executive Directors on the Chair's performance and on succession planning for the Chair.

Corporate governance report continued

Board meetings

There were 11 formal Board meetings during the year. All meetings were attended by all eligible Directors.

Formal meetings are supplemented, when circumstances dictate, by other meetings, often making use of secure online facilities. In addition, the Chair and Non-Executive Directors have met during the year without the Executive Directors.

	Apr 23	May 23	Jun 23	Jul 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Attendance[1]
Serena Lang[2]					●	●	●	●	●	●	●	100%
Iain Percival[3]						●	●	●	●	●	●	100%
Kate Ferguson[4]											●	100%
Clive Watson	●	●	●	●	●	●	●	●	●	●	●	100%
Louis Eperjesi	●	●	●	●	●	●	●	●	●	●	●	100%
Laura Whyte[5]											●	100%
Nicholas Mills[6]							●	●	●	●	●	100%
Jonathan Shearman[7]	●	●	●	●								100%
Scott Mac Meekin[8]	●	●	●	●	●							100%
Darren Hayes-Powell[9]	●	●	●	●	●	●	●	●	●	●		100%
Claire Balmforth[10]	●	●	●	●	●	●	●	●	●	●	●	100%

1. Attendance percentage of meetings attended whilst serving on the Board
2. Serena Lang was appointed as Chair on 10 August 2023
3. Iain Percival was appointed as CEO on 20 September 2023
4. Kate Ferguson was appointed interim CFO on 22 February 2024
5. Laura Whyte was appointed on 11 March 2024
6. Nicholas Mills was appointed on 20 October 2023
7. Jonathan Shearman resigned as Chair on 14 September 2023
8. Scott Mac Meekin was interim CEO until 19 September 2023
9. Darren Hayes-Powell left as CFO on 21 February 2024
10. Claire Balmforth retired on 1 April 2024

Board composition

During FY24, there were a number of changes to members of the Board. On 1 April 2024, the Board comprised an independent Non-Executive Chair, two Executive Directors and four Non-Executive Directors, three of which are considered to be independent. Details of the Directors' remuneration and terms of appointment are set out in the Directors' remuneration report on pages 104 to 130.

Biographical details of the Directors are included on pages 82 and 83.

The Executive Directorships are full-time positions. The role of Chair requires a commitment of approximately two days per month, and Non-Executive Directors commit two days per month. All the Non-Executive Directors have confirmed their ability to meet such commitment. Each Non-Executive Director is required to inform the Board of any changes to their other appointments.

The contracts of appointment of Non-Executive Directors are available for inspection on request to the Company Secretary.

Re-election

All Directors of the Board are subject to election by the shareholders at the first AGM following their appointment by the Board and all Directors will also stand for re-election annually at the AGM.

Corporate governance report continued

Board appointments

The appointment, replacement and powers of the Directors are governed by the Company's Articles of Association, the UK Corporate Governance Code, the Companies Act, prevailing legislation and resolutions passed at the Annual General Meeting (AGM) or other general meetings of the Company.

The Company has separate posts for Chair and Chief Executive. The Chair leads the Board and the Chief Executive is responsible for the management of the Company, implementing policies and strategies determined by the Board.

Each Director's availability and time commitment to the Company is essential in performing their role effectively. Prior to any new appointment, the Board would review other demands on a Director's time to ensure they have sufficient capacity to commit to the role. A Director must seek Board approval prior to undertaking any additional external appointments.

Appropriate and relevant training is provided to the Executive Directors as and when required. Non-Executive Directors are responsible for their own relevant learning and development activity and inform the Nomination Committee Chair and Company Secretary of any training undertaken.

The contracts of appointment of Non-Executive Directors are available for inspection on request to the Company Secretary.

The Chair (Serena Lang) and Senior Independent Non-Executive Director (Clive Watson) confirm that, following formal performance evaluation, the individuals seeking re-election continue to be effective in contributing to the long-term success of the Group and demonstrate commitment to the role.

Committee responsibilities

The Board formally delegates responsibility to four Committees: the Nomination, Responsible Business, Audit & Risk and Remuneration Committees. Full terms of reference for each Committee can be found on our website.

Status reports from each of these Committees are found later in this report.

Internal audit and risk management

The Board, via the Audit & Risk Committee, formally considers the requirement for internal audit on an annual basis as part of its terms of reference. The Board and Audit & Risk Committee agreed to formally establish an internal audit function for the business, and this was set up in May 2023.

Following the formation of the Risk department in 2022, we have continued to further develop our risk management and controls framework to support our risk appetite and culture. Working with the operational owners of risk, we ensure mitigation actions are effective, and we continue to review going forward to include our functional, regional and compliance teams.

Going concern and viability

After making enquiries, the Directors have reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis in preparing the financial statements.

Further information on going concern is included in the basis of preparation in note 1.

Further information on the viability statement and its conclusion is included on pages 76 and 77.

By order of the Board

Christopher Morgan
Company Secretary

26 July 2024

Nomination Committee report

Role of the Committee

The Committee is responsible for leading the process, and making recommendations to the Board, for Board appointments, ensuring there is a formal, rigorous and transparent procedure. The composition of the Board is regularly reviewed and refreshed, taking into account the length of service of the Board as a whole, so that it is effective and able to operate in the best interests of shareholders. The Committee ensure there are succession plans in place for both Board and Senior Management roles.

FY24 highlights

- Led process for appointment of Chair
- Led process for appointment of Chief Executive Officer
- Led process for appointment of Remuneration Committee Chair

Stakeholder engagement

- Engaged with various internal and external stakeholders, including the Group's corporate brokers, in relation to appointment of new Chief Executive Officer
- Attended AGM in September 2023 and discussed Committee's activities with shareholders

Read more on page 22 to 26

Serena Lang

Chair of the Nomination Committee

Members

- Serena Lang (Chair)
- Clive Watson
- Louis Eperjesi
- Laura Whyte

Meeting attendance

	May 23	Jun 23	17 Jul 23	21 Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Feb 24	Attendance[1]
Serena Lang[2]					●	●	●	●	●	100%
Clive Watson	●	●	●	●	●	●	●	●	●	100%
Louis Eperjesi	●	●	●	●	●	●	●	●	●	100%
Laura Whyte[3]										—%
Jonathan Shearman[4]	●	●			●	●				67%
Claire Balmforth[5]	●	●	●	●		●	●	●	●	89%

1. Attendance percentage of meetings attended whilst serving on the Committee
2. Serena Lang was appointed as Chair on 10 August 2023
3. Laura Whyte was appointed on 11 March 2024
4. Jonathan Shearman was unable to attend the meetings in July due to prior personal commitments. He resigned as Chair on 14 September 2023
5. Claire Balmforth was unable to attend the meeting in August due to prior personal commitments. She retired as Non-Executive Director on 1 April 2024

Nomination Committee report continued

Dear shareholder,
I am pleased to present an overview of the Nomination Committee's work during the year ended 31 March 2024. It has been a busy year for the Committee as valued colleagues departed and we welcomed new Board members.

Two of our Non-Executive Directors, Jonathan Shearman and Claire Balmforth, left the Board in the year. Scott Mac Meekin, who had been a Non-Executive Director for nine years before stepping in as the interim Chief Executive Officer in February 2023, stepped down from the Board in September 2023, when we were pleased to welcome Iain Percival as Chief Executive Officer. I am very grateful to Claire, Jonathan and Scott for their insight and important contributions to the Board and its Committees during their tenures, and they leave with our best wishes for their future endeavours.

In October 2023, we were pleased to welcome Nicholas Mills and in March 2024, Laura Whyte as new Non-Executive Directors, with Laura becoming the Remuneration Committee Chair with effect from 1 April 2024. We also welcomed Kate Ferguson as interim Chief Financial Officer, following Darren Hayes-Powell departure in February 2024, and you can read more on the recruitment process for this role on page 92.

As ever, the Nomination Committee remains dedicated to recruiting globally recognised, industry-leading talent, so that Trifast colleagues see strong diverse leaders – at both Board and Senior Management level – who look and sound like them. In various roles I have been privileged to hold, including serving as Trifast's Chair, I have seen and embraced the value and importance of visible role models.

If you wish to discuss any aspects of the Nomination Committee report, or our activities generally, with me, then please join our AGM on 10 September 2024 at our National Distribution Centre in Walsall. You can also join via the Investor Meet Company platform or send any questions for me to our dedicated email address: companysecretariat@trifast.com.

Serena Lang
Chair

26 July 2024

Board composition, skills and attributes

At Trifast, we recognise the importance of the Board and its Committees having a combination of skills, experience and knowledge to ensure we have an effective and agile Board, which is well-placed to promote long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The Nomination Committee reviews the skills, attributes and diversity represented by the Directors on the Board and determine whether the existing Board composition remains appropriate to achieve the Group's purpose and strategy.

The Nomination Committee does this by maintaining a skills matrix that tracks both the skills and experience needed currently, and those future-facing attributes the Board intends to develop or acquire over the longer terms as it executes its strategy.

This matrix is then reviewed in conjunction with individual Director tenure to assist with the Board appointments and associated succession planning.

The most recently approved version of our Board skills matrix is set out below. The charts that follow describe various elements of diversity across the Board, and are supplemented by our disclosures under the UK Listing Rules.

The Nomination Committee is satisfied that the Board and its Committees have the right combination of skills, experience and knowledge amongst a group of individuals that embody many aspects of diversity.

Board skills matrix

The Board skills and attributes matrix is reviewed by the Nomination Committee annually, considering the future requirements of the Board.

	Independence	Industrial/engineering	Distribution operating model	ESG	Banking & finance	Mergers & acquisitions	Audit & risk	International	Leadership	Remuneration	People/HR	Strategy/business transformation & change	IT/Cyber
Serena Lang	●	●		●		●	●	●	●	●	●	●	●
Iain Percival		●	●	●		●	●	●	●		●		
Kate Ferguson				●	●	●	●	●	●		●	●	●
Clive Watson	●	●		●	●	●	●	●	●			●	
Louis Eperjesi	●	●	●	●	●	●		●	●			●	
Laura Whyte	●		●	●		●	●	●		●	●	●	
Nicholas Mills		●			●	●	●			●		●	
Christopher Morgan (Company Secretary)		●		●		●	●	●		●	●		

Nomination Committee report continued

Board and Executive Leadership diversity

In accordance with the UK Listing Rules, the tables below set out our gender and ethnic representation at Board and Executive Leadership Team level.

Gender representation: Board and Executive Leadership Team as at 1 April 2024

	Board			ELT	
	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Women	3	43%	2	1	14%
Men	4	57%	2	5	72%
Other categories	—	—	—	—	—
Not specified/prefer not to say	—	—	—	1	14%

Ethnic representation: Board and Executive Leadership Team as at 1 April 2024

	Board			ELT	
	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority white groups)	7	100%	4	7	100%
Mixed/Multiple ethnic groups	—	—	—	—	—
Asian/Asian British	—	—	—	—	—
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

Our approach to data collection

Gender and ethnicity data relating to the Board and Executive Leadership Team are collected on an annual basis applying a process managed by the Company Secretary in conjunction with the HR function. Each individual is requested to complete an identical questionnaire on a strictly confidential and voluntary basis, through which the individual self-reports on their ethnicity and gender identity or states that they do not wish to report such data. Consent is provided for data collection and processing of that data in accordance with the Company's data protection policy.

The criteria of the standard form questionnaire are fully aligned to the definitions specified in the UK Listing Rules, with individuals required to specify:

a. Self-reported gender identity – selection from the following categories (i) man; (ii) woman; (iii) other category (please specify) and (iv) not specified/prefer not to say

b. Self-reported ethnic background – selection from the following categories as designated by the UK Office of National Statistics: (i) White British or other White; (ii) Mixed/Multiple ethnic groups; (iii) Asian/Asian British; (iv) Black/African /Caribbean/Black British; (v) other ethnic group, including Arab; and (vi) not specified/prefer not to say

Nomination Committee report continued

Board appointment process

The Nomination Committee leads the process for appointments to the Board, ensuring that there is a formal, robust and transparent procedure in place for each appointment. All appointments are based on merit and objective criteria, with candidates being evaluated to assess their suitability across a number of areas, including skills, education, experience, background and independence. Within this context, due regard is also given to promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, and the benefits that this can bring to the Board and its Committees.

The specific appointment process followed during the year in relation to the appointment of the Chief Executive Officer, Iain Percival, is described on page 92. Regarding the Chair and Non-Executive Directors, this is described in more detail in this table.

Non-Executive Director appointment process	
Candidate specification	In each case, the Nomination Committee began by considering the current Board composition, existing skills and attributes matrix and tenure of individual Directors. Given the intimation from both Jonathan Shearman and Claire Balmforth to step down from the Board, it was recognised that replacements with prior chair or senior independent director and remuneration committee experience would be needed. It was also recognised that an additional director with shareholder and financial investment experience would provide additional strength to the Board
Engagement of professional advisers and candidate review process	In light of the global approach and strong record, leading executive search firm, Russell Reynolds Associates (RRA), was engaged to assist with profiling candidates for the Chair position. RRA was a founding member of the Voluntary Code of Conduct for Executive Search Firms and have been accredited by the Enhanced Code as a leading UK search firm that is achieving over 30% female FTSE 350 board placements. Save for its involvement in prior non-executive and executive searches, RRA does not have any connection with Trifast plc or individual Directors Later in the year, Women on Boards was engaged to assist with profiling candidates for the Remuneration Committee Chair position. Women on Boards does not have any connection with Trifast plc or individual Directors
Interviews and associated due diligence	Shortlisted candidates were then interviewed by the Chair, with high potential candidates then being invited to meet with other Board members, including the Chief Executive Officer, Senior Independent Director and Chair of the Committees
Recommendation and approval	In July 2023, the Nomination Committee unanimously decided to recommend that Serena Lang's appointment to the Board as Chair elect. Serena was selected on the basis that she had strong experience on listed company boards and committees, as well as wide-ranging knowledge in company transformations and the industrial and manufacturing sectors, by virtue of her executive career. Following Jonathan Shearman's confirmation to retire from the Board in August 2023, it was determined that Serena join the Board as Chair elect and following a rigorous handover that she assume the role of Chair from 14 September 2023 In February 2024, the Nomination Committee also unanimously decided to recommend Laura Whyte's appointment to the Board. Laura's excellent experience in human resources, workplace culture, remuneration committees and the distribution business, in addition to her international experience through her executive career, were all factors influencing the Committee's decision. Following Claire Balmforth's confirmation to retire in March 2024, it was determined that Laura join the Board and Remuneration Committee Chair elect and assume the role of Committee Chair from 1 April 2024
Induction	Following their appointments, both Serena and Laura, and also that of Nicholas Mills in October 2023, each have undertaken a comprehensive and tailored induction programme. Further details of our induction process can be found on page 80

Nomination Committee report continued

Board appointment process continued

Chief Executive Officer appointment process	
Candidate specification	The Nomination Committee commenced the search by articulating the key qualities for a Chief Executive Officer at Trifast. The specification articulated a range of expectations in terms of strategic, leadership, operational and technical experience, as well as reflecting the personal attributes needed to develop a collaborative and high-performing team
Engagement of professional advisers and candidate review process	The Nomination Committee engaged leading executive search firm, Russell Reynolds Associates (RRA), to assist with evaluating both internal and external talent against the qualities identified. Having engaged with RRA in the past and given their global approach and strong track record, they provided support to the Board in profiling candidates. RRA was a founding member of the Voluntary Code of Conduct for Executive Search Firms and have been accredited by the Enhanced Code as a leading UK search firm. Save for its involvement in prior non-executive and executive searches, RRA does not have any connection with Trifast plc or individual Directors
Longlist and shortlist review	RRA provided an initial longlist that was presented to the Committee in April 2023, encompassing a wide range of potential candidates from diverse personal and professional backgrounds. The Committee was able to create a shortlist of candidates shortly after this review
Interviews	Initial interviews were led by the Chair and one other Non-Executive Director. Preferred candidates were then asked to complete additional interviews with the Senior Independent Director and other Non-Executive Directors. The interview process spanned the summer and autumn with regular Board communication during this period
Due diligence and references	Preferred candidates then completed an assessment run by River Leadership, designed to evaluate competencies, working style, drivers and experiences. RRA assisted with the usual pre-employment due diligence checks as well as facilitating references, and the views of the Company's brokers were also sought. River Leadership does not have any connection with Trifast plc or individual Directors
Recommendation and approval	Following this robust and rigorous process, the Nomination Committee, working in tandem with the Remuneration Committee in relation to the financial package, unanimously decided to recommend Iain Percival's appointment to the Board for approval in August 2023. Iain was selected due to his strong experience and leadership qualities. In particular, Iain's significant experience of business transformation was assessed as enabling Iain to make an immediate contribution to Trifast
Induction	Following his appointment, Iain undertook a comprehensive and tailored induction programme, including a detailed handover from the interim Chief Executive Officer, Scott Mac Meekin. This included visiting the Asia business together in the first week of his appointment. Further details of our induction programme are found on page 80

The Company is currently following a similar approach in the recruitment process for the Chief Financial Officer. Russell Reynolds Associates were instructed in March 2024. Kate Ferguson is performing the role of interim Chief Financial Officer, and her capabilities were assessed by the Chief Executive Officer, Chair of the Audit & Risk Committee and Chair before she was appointed as interim.

Nomination Committee report continued

Election and re-election of Directors

The Company will submit all eligible Directors for re-election, and in the case of Serena Lang, Iain Percival, Laura Whyte and Nicholas Mills, election for the first time at the Company's Annual General Meeting in September 2024.

As part of making any recommendation to the Board in respect of elections or re-elections, the Nomination Committee assesses each Director, including considering their performance on the Board and its Committees, the findings of the Board evaluation review, their attendance record during the year and their other time commitments outside of Trifast, and their contribution to the long-term sustainable success of the Company. For Non-Executive Directors, the Committee also considers whether each individual Director continues to be considered independent for the purposes of the UK Corporate Governance Code.

Nomination Committee effectiveness

The Nomination Committee's performance was reviewed in 2023, as part of the Board performance review process, facilitated by Gould Consulting, details of which are set out on page 79.

The Committee continues to fulfil its responsibilities effectively and will be focusing particularly on performance reviews and succession planning into 2024/25.

Responsible Business Committee report

Role of the Committee

The role of the Responsible Business Committee is to ensure the understanding and effective implementation of the sustainability strategy and how it relates to the broader corporate purpose and vision as well as forming part of the Group's culture. The Committee also works and liaises with other Board Committees to integrate sustainability in everything we do.

FY24 highlights

- Employment survey engagement and feedback
- Working with RSM to develop a transition plan
- Sustainability and CBAM incorporated in our supplier audit questionnaires and the work continues
- Initial engineering trials using 100% recycled materials, whilst maintaining acceptable product performance, have been successful
- Increased Scope 3 emissions reporting from purchased goods and services and a commuter survey

Areas of focus for FY25

- Updating our sustainability strategy to align with the new business strategy
- Continued commitment to carbon emission reduction from our operations and facilities
- Develop a sustainability supply chain strategy
- Develop a diversity and inclusivity plan
- Commence audit of all governance policies in the Code of Conduct
- Further employee training in modern slavery, anti-bribery and corruption and whistleblowing

Louis Eperjesi

Chair of the Responsible Business Committee

Members

- Louis Eperjesi (Chair)
- Serena Lang
- Iain Percival
- Clive Watson
- Laura Whyte

	May 23	Nov 23	Mar 24	Attendance[1]
Louis Eperjesi (Chair)	●	●	●	100%
Serena Lang[2]		●	●	100%
Iain Percival[3]		●	●	100%
Clive Watson	●	●	●	100%
Laura Whyte[4]			●	100%
Jonathan Shearman[5]	●			100%
Scott Mac Meekin	●			100%
Darren Hayes-Powell[6]	●	●		100%
Claire Balmforth[7]	●	●	●	100%

1. Attendance percentage of meetings attended whilst serving on the Committee
2. Serena Lang was appointed as Chair on 10 August 2023
3. Iain Percival was appointed as CEO on 20 September 2023
4. Laura Whyte was appointed on 11 March 2024
5. Jonathan Shearman resigned as Chair on 14 September 2023
6. Darren Hayes-Powell left as CFO on 21 February 2024
7. Claire Balmforth retired on 1 April 2024

Responsible Business Committee report continued

This year has seen further progress with our sustainability roadmap. Following my appointment as Committee Chair in May 2023, I have collaborated closely with the Steering Committee to commence the development of the sustainability strategy and transition plan.

Being a 'Responsible Business' (thus the Committee name change) and through our sustainability agenda, we have continued to elevate the work of the Committee and Company with all our key stakeholders and increasingly drive our decisions and actions going forward. It is critical that the Responsible Business Committee listen to all feedback from employees and the experts, both internally and externally, and that we continue to incorporate insights and advice to further inform our roadmap.

The Committee met three times this year and focused specifically on reviewing the progress and performance of the Company's activities, as well as receiving updates on local projects, engineering initiatives and climate-related risks and opportunities.

The Committee continue to support the strong and collaborative sustainability and governance framework of committees and networks, which is set out in the diagram below. The Steering Committee is operationally focused and comprises of representatives from engineering, supply chain, governance, risk, HR and EHS. This group met six times this year to review new regulations (CBAM, Corporate Sustainability Reporting Directive (CSRD), monitored progress on the TCFD and climate change risk reporting and continued to develop the roadmap working alongside the regional Network of Champions.

They also co-ordinated a Group-wide employee commuter survey, which will support our Scope 3 reporting and details of which are reported on page 49.

When we first set out our sustainability roadmap in 2021, the purpose was to support and enable our environmental, people-related and governance activities across all of the Trifast operations. However, we purposely chose not to address everything or report on every ESG measure. Instead, the Company has focused on the material strategic areas that matter most to our stakeholders and where we can drive and make the most positive impact. Three years on, one of the key focus areas is carbon use reduction across our office, distribution operations and manufacturing facilities and with our real estate footprint reduction through the course of the short term, the Committee have continued confidence that our carbon use reduction is achievable.

It is important that the Responsible Business Committee works closely with other Board Committees. Climate change risks, safety and governance topics are reviewed at the Audit & Risk Committee; diversity, equity and inclusion and employee engagement reviewed by the Nomination Committee and the Remuneration Committee ensure executive remuneration and incentives link specifically to the sustainability targets. Furthermore, sustainability is at the heart of the Company's new strategic plan which is particularly important. These examples clearly illustrate that our Committee's agenda and remit are not being considered in isolation and that the Company, through this Committee, links these important elements of the roadmap together.

The Committee believes that improving sustainable performance enhances the long-term value creation of the Company, and ensures we continue to be a 'Responsible Business'.

Louis Eperjesi
Chair of the Responsible Business Committee

26 July 2024

Read more about our achievements, commitments and key projects in the responsible business section on pages 37 to 54

Audit & Risk Committee report

Role of the Committee

The role of the Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring the integrity of the financial and narrative statements and other financial information provided to shareholders. The Committee's role is central in monitoring the effectiveness of the Company's system of internal controls and risk management as well as the external audit process and auditors and the processes for compliance with laws, regulations and ethical codes of practice.

FY24 highlights

In addition to our routine business we:

- Monitored preparations to address UK corporate governance reforms
- Continued to review the development of the risk management capability across the Group and engaged in risk appetite considerations with the management team
- Supported and assessed the emerging internal audit function

Areas of focus for FY25

- Oversight of the Group's response to the revised UK Corporate Governance Code as regards internal controls and development of the Audit Assurance policy
- Reviewing the Company's procedures for detecting and preventing fraud in response to the failure to prevent a fraud offence introduced by the Economic Crime & Corporate Transparency Act 2023
- In collaboration with the Group's Responsible Business Committee, reviewing the sustainability strategy, to ensure appropriate plans are in place to meet regulatory requirements as they emerge

Clive Watson

Chair of the Audit & Risk Committee

Members

- Clive Watson (Chair)
- Louis Eperjesi
- Laura Whyte

	Jul 23	Nov 23	Jan 24	Attendance[1]
Clive Watson	●	●	●	100%
Louis Eperjesi	●	●	●	100%
Laura Whyte[2]				
Claire Balmforth[3]	●	●	●	100%

1. Attendance percentage of meetings attended whilst serving on the Board
2. Laura Whyte was appointed on 11 March 2024
3. Claire Balmforth retired on 1 April 2024

Audit & Risk Committee report continued

Dear shareholder,
I am pleased to present our report for the year ended 31 March 2024, which outlines how the Committee has fulfilled its key objective of providing effective governance over the Company's financial reporting during the year, and also highlighting our key priorities for FY25.

Committee competence and governance

The main activities of the Audit & Risk Committee during the year are outlined in the table and are in accordance with the Committee terms of reference, which define the requisite experience and requirements of the Committee. The terms of reference are reviewed annually by the Committee and can be viewed on the Company's website.

We meet three times during the year. Each Committee meeting normally takes place prior to a Board meeting, at which an update on the Committee activities is provided. The Committee meetings are held to coincide with key financial reporting and audit cycle dates.

We have the ability to call on Group employees to assist in our work and obtain any information required from the Executive Directors in order to carry out our roles and responsibilities. As Chair, I meet with the Chief Financial Officer and other members of the Group's finance team. We are also able to obtain outside legal or independent professional advice if required.

The Committee considers the FY24 Annual Report is fair, balanced and understandable, with appropriate and required references being made throughout the various sections.

Audit & Risk Committee meeting calendar

The calendar below sets out the matters discussed at each of our meetings during FY24

July 2023

- External audit report from BDO
- Review of auditor independence and non-audit fees (including non-audit services policy review)
- Review of critical accounting policies and judgements, litigation risks, Group taxation policies and arrangements
- Reviewed Committee report, agreeing recommendations for approval to the Board
- Risk review on effectiveness of risk management and internal control systems
- Whistleblowing update
- Internal audit plan review and audit health check feedback
- Reviewed Committee terms of reference
- Private discussion with external auditors

November 2023

- Reviewed BDO engagement letter and fee proposal
- Confirmed the independence of BDO
- Reviewed the H1 financial statements with particular focus on disclosures to judgemental issues
- Risk management and internal audit deep dive, reviewing climate change risks and ESG roadmap, risk policy update and whistleblowing update
- Internal audit reports and audit effectiveness review
- Private discussion with Head of Internal Audit

January 2024

- Review of viability modelling and proposed changes
- Considered impairment considerations for TR Italy
- Updated on the Task Force on Climate-related Financial Disclosures
- Conducted review of all principal risks
- Received whistleblowing update
- Approved internal audit plan for FY25 and internal audit three-year strategy
- Reviewed findings from internal audits performed
- Approved Group tax strategy
- Approved Group treasury policy
- Private discussion with external auditor and Head of Internal Audit

Audit & Risk Committee report continued

Audit Committee and the External Audit: Minimum Standard

The Company and the Audit & Risk Committee apply the 'Audit Committees and the External Audit: Minimum Standard' (the 'Standard') published by the FRC in 2023. The Committee report describes how and the extent to which the Company has complied with the provisions of the Standard in the financial year reported.

There were no shareholder requests for certain matters to be covered in the audit during the year.

Financial reporting

Our principal responsibility in this area is the review and challenge of the actions and judgements of management in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:

- Critical accounting policies and practices, and any changes therein
- Decisions requiring significant judgements or estimates or where there has been discussion with the external auditor
- The existence of errors, adjusted or unadjusted, resulting from the audit
- The clarity of the disclosures and compliance with accounting standards and relevant financial and governance reporting requirements
- An assessment of the adoption of the going concern basis of accounting and a review of the process and financial modelling underpinning the Group's viability statement
- How the impact of climate change is considered and reflected in the financial statements and related assessments
- The processes surrounding the compilation of the Annual Report and financial statements with regard to presenting a fair, balanced and understandable assessment of the Group's position and prospects

Internal control and risk management

While overall responsibility for the Group's risk management and internal control frameworks rest with the Board, the Audit & Risk Committee has a delegated responsibility to keep under review the effectiveness of the systems supporting these. Further details on accountability for risk management are provided in the corporate governance report on page 87.

Our work in this area is supported by reporting from the Head of Internal Audit on the results of the programme of internal audits completed; the overall assessment of the internal control environment, with reference to the results of their work, and in addition, reporting, either verbal or written, from Senior Management covering investigations into known or suspected fraudulent or inappropriate activities.

We take comfort from the work undertaken for the Board on a review of the sources of assurance, which are mapped against the principal risks. In addition, the Committee are satisfied from the audit work performed and conclusions reached.

The Committee also receives regular reporting on the Group's compliance and whistleblowing matters from the Company Secretary, as well as the Head of Internal Audit. This includes reviewing the Groups whistleblowing procedures, which provide a mechanism for employees with concerns about the conduct of the Group or its employees to report their concerns. The Committee ensures that appropriate arrangements are in place to receive and act proportionately on any complaint about malpractice in financial reporting or otherwise.

The Committee also received presentations from the Group Treasurer, Head of Risk and Head of Tax, and monitor regular presentations to the Board from the Head of IT Security.

Internal audit

The Committee has a responsibility to monitor the effectiveness of the Group's internal audit function. The Committee recognise that this newly created function for the Group is a critical component of monitoring the control environment of the Company.

During the year, the Head of Internal Audit discusses with the Committee Chair on internal audits undertaken and presents the results of audit matters and progress against the internal audit plan to the Committee, with particular focus on high priority findings and action plans, including management responses. Private discussions between the Committee and Head of Internal Audit are held during the year.

The updates provide broad coverage of the internal audit function and a good sense of the control environment. This allows the Committee to ensure the function is effective, which includes assessing the independence of the function, ensuring that it is adequately resourced and has appropriate standing within the Company.

One of the main duties of the Committee is to review the annual internal audit plan and to ensure that internal audit is focused on providing effective assurance.

The internal audit function was established in FY24 and initially carried out a high-level audit of the key financial controls across the business, which provided information to inform the FY25 audit plan and three-year audit strategy. In developing the internal audit plan, the principal risks were mapped to the internal controls to create a risk-based audit scope and to identify internal and external resource needs for each planned audit. Audit objectives were established, including specific objectives, to assess legislative or fraud-related risks.

Detailed assurance mapping activities are planned in FY25 using the four lines of defence model, to support the continued development of the internal audit plan and the Audit Assurance policy.

The Global Internal Audit Standard (IIA) has been adopted for planning and reporting of internal audits and forms the basis of the internal audit charter which will be released in FY25.

Audit & Risk Committee report continued

External audit

The Committee is responsible for recommending to the Board the appointment, re-appointment, remuneration (including non-audit services) and removal of the external auditor. The external auditors are BDO, who were first appointed in November 2019.

When considering whether to recommend the re-appointment of the external auditor, the Committee considers a range of factors, including the effectiveness of the external audit, the period since the last audit tender was conducted and the ongoing independence and objectivity of the external auditor. Following the Committee's assessment this year, both the Committee and the Board have concluded that BDO provide an effective audit and have recommended their re-appointment at the 2024 AGM.

Should the auditor resign, the Committee would be responsible for investigating the issues surrounding the resignation and consider whether any action is required.

Viability and going concern statement

The Committee is responsible for signing off the going concern assessment and viability statement.

- Our going concern assessment is to provide assurance that the Group is a going concern and capable of funding its subsidiaries for a minimum of 12 months from the date of signing the accounts
- Our viability statement assesses the long-term viability of the Group over a three-year period

Both assessments require consideration of:

- The Group's future and strategy
- The Group's current financial position
- Financial projections including cash flow forecasts, use of debt facilities and associated covenants
- The impact of CBAM and other climate-related risks

These assessments rely on the outputs from the budgets and forecasts prepared by management. The Committee is involved in the approval of these budgets and forecasts, and challenge management to ensure key risks and uncertainties (including climate and wider ESG risks) have been appropriately considered in their preparation. In response to the increasing risk of climate change, management assessed the impact of CBAM for the first time in its viability modelling. Whilst there is no material financial impact in the short term, the Committee highlighted the need to consider the ancillary costs associated with the future purchase of carbon credits and inclusion of costs in longer-term projections.

To further determine the level of downside before the Group would be at risk of breaching its debt covenants, management applied reverse stress testing to our viability case.

After considering the risks and assessments, the Board and the Committee believe there is a reasonable expectation the Company will be able to continue to operate and meet its liabilities as they fall due over the foreseeable future and it is appropriate to continue to adopt the going concern basis in preparing the Group financial statements.

More information concerning the viability and going concern statements, and the TCFD reporting, can be found on pages 76 and 77, 87 and 55 to 65 respectively and within the principal and emerging risks on pages 66 to 75.

Recoverability of customer-specific inventory

The Group has bespoke customer-specific products for which there is a risk over recoverability if any contractual obligations to acquire outstanding stock are waived for commercial reasons or the customer experiences financial distress. Given the size of the customer-specific inventory balance, and the complexity involved in estimating customers' changes in future demand, there is a risk that the valuation of the inventory provision is inappropriate. The Committee is satisfied that sufficient focus is given to this whole area and that provisions made for customer-specific inventory are adequate.

Goodwill impairment

Goodwill in the Group balance sheet is significant and subject to an annual impairment test and ongoing reviews to identify indicators of impairment. The recoverability of goodwill is dependent on estimating both cash flows and appropriate discount rates to apply in a value in use calculation. Given the size of the goodwill balance, and the complexity of estimating both cash flows and discount rates, the Committee considers goodwill impairment to be an area of material estimation. Hence there is a risk that the valuation of goodwill is inappropriate. The Committee has reviewed the projected cash flows and discount rates used in the valuation model and the disclosures provided in note 13 of the financial statements. The Committee is satisfied that the year-end goodwill balance is appropriately valued.

Non-financial reporting

In response to emerging requirements, the Committee are taking a more active role in considering sustainability matters and reporting, particularly in relation to the assurance of environmental, social and governance metrics.

Clive Watson
Chair of the Audit & Risk Committee

26 July 2024

Audit & Risk Committee report continued

The following pages provide further details of the Committee's activity in relation to FY24.

Minimum standard	Committee activity during FY24
Financial reporting	During the year, the Committee reviewed the integrity of the financial statements (including the Annual Report and Half-year Report) and announcements related to financial performance The Committee advised the Board whether, in the ARC's view, the Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy The Committee reviewed and discussed with management the key assumptions, judgements and estimates as detailed in note 30 of the financial statements The Committee reviewed the appropriateness of transactions presented in Alternative Performance Measures (APMs) to compare relevant results for the period presented in the financial statements
Internal controls and risk management	During the financial year, the Committee were updated regularly on the work performed by the Head of Risk and also the Group Risk Committee. The Group Risk Committee is made up of the Chief Executive, Chief Financial Officer, Company Secretary and Chief Commercial Officer, and co-ordinated by the Head of Risk The Group Risk Committee met three times in the year. The Committee reviews the Company's principal risks, Group risk register and also the emerging risks. The Technology Director and HR Director are invited to the Committee meetings to discuss functional risks. In addition, regional management are also invited to the Committee meeting to discuss specific risks within their region or businesses The Group Risk Committee discuss and examine risks and opportunities, risk scoring, risk appetite and mitigations, and this is then reported to the Audit & Risk Committee by the Head of Risk. This is the second year of this type of Committee within the Company, but the Audit & Risk Committee feel that this mechanism is already providing rigour and discipline across the Company in the risk review process The Committee have considered the trade compliance procedures and the internal controls within the business to ensure that proper processes are in place to prohibit sales/transactions with sanctioned countries and individuals Focus continues to be given to the strength and depth of the finance team's capability; the quality and efficiency of responses to findings of internal audits and also opportunities for learnings to be shared more widely across the Group to mitigate risk of recurrence and of course to share good practice The Committee received updates on tax and treasury strategy and risk management
Internal audit	As reported in last year's report, the Company has invested in internal audit capability. Whilst this is a new and currently two-person function, the Committee have received regular updates from the Head of Internal Audit, and as Chair, I have worked closely with her, offering support, advice and guidance, while she establishes the function and audit culture within the business Audits have been conducted in the areas stock management and inventory; expenses and adherence with the new expenses policy; and sales pipeline data validation The results and findings of each of these matters are subsequently reported into the Committee

Audit & Risk Committee report continued

Minimum standard	Committee activity during FY24
Internal audit plan	The internal audit plan continues to focus the largest proportion of resource on financial assurance reviews whilst incorporating wider risk assurance coverage, both financial and non-financial, as described below: The internal audit plan is based on the 12 sections of the Company's financial controls manual and considers the links to the principal risks in each section. Four assurance audits are scheduled within each financial year, resulting in a three-year plan. In addition to the three-year plan, further audits are conducted to provide assurance or verification activities to support the business as the need arises. The Committee considered and approved the 2024 internal audit plan, noting the inclusion of ESG assurance activity in particular The FY25 scheduled audits are based on the following areas: Sales and customers (including sales and revenue forecasting, customer contract fulfilment and sustainability requirements), people and payroll (including payroll and personnel data management, and change controls), facilities (including leases, health and safety management, emergency preparedness, energy usage and emissions) and document and data control (including preservation of company information, document retention, data management and access) The Committee will look to approve the internal audit charter which will include a commitment to an appropriate effectiveness review for the internal audit function, seeking internal feedback from the business, and ensuring the audits provide support and valuable feedback to business teams As we go forward, the Committee would like to build an appropriate effectiveness review for the internal audit function, seeking feedback from the business, and ensuring the audits provide support and valuable feedback to business teams
External audit	The audit risks identified by BDO LLP remained consistent compared to last year, but the auditors collected additional evidence following the Financial Reporting Council's (FRC) review of BDO's audit workpapers and documentation related to last year's audit engagement. The key areas of focus were recoverability of customer-specific inventory and impairment of goodwill BDO audit team visited TR Italy in February 2024 and field work has been carried out on a hybrid basis by competent teams across the globe

Audit & Risk Committee report continued

Minimum standard	Committee activity during FY24
Auditor effectiveness	The effectiveness of the external audit process is highly dependent on the appropriate risk identification at the start of the audit cycle and quality of planning. BDO present their detailed audit plan to the Committee each year, identifying their assessment of the key risks, amongst other matters Our assessment of the effectiveness and quality of the audit covers a number of other matters, including consideration of the auditors judgement, skills and culture, a review of the reporting from the auditors to the Committee, a review of the latest FRC Audit Quality Inspection & Supervision Report and also seeking feedback from management and internal audit on the overall conduct and effectiveness of the audit process and whether the agreed audit plan and any commitments made during the process have been met. This includes whether the auditors have a good understanding of the business and sufficient knowledge of the industry, whether the level of challenge provided by the auditors is deemed appropriate and whether recommendations have been acted upon (and if not why not) Overall management were satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be satisfactory. It was also noted that the hybrid mixture of remote and on-site working through the 2022 audit process was effectively managed and efficient On 26 February 2024, the FRC issued a letter to the Committee Chair which noted certain matters where they believe users of the financial statements would benefit from improvements to our existing disclosures. The FRC did not request any substantive response. The Audit & Risk Committee is satisfied that the recommendations made by the FRC have been reflected in the financial statements The Audit Quality Review function of the FRC, which reviews the audits conducted by external auditors, had selected BDO's audit of the Company's FY23 financial statements for review. The report which was issued in April 2024, found certain aspects for improvement. The Company and BDO responded separately to the FRC and have worked closely on the matters raised by the FRC. BDO has taken into consideration the FRC's preliminary findings and incorporated these in the audit of the FY24 financial statements. The Committee is satisfied that the recommendations by the FRC have been reflected in the BDO audit process The Committee held two private meetings with the external auditor in the financial year. This provided opportunity for open dialogue and feedback to the Committee and the auditor, without executive management. Matters discussed included the auditor's assessment of the business risks and management activity, the quality of the audit process, the transparency and openness of management interactions, confirmation that there had been no restriction in scope placed on them by management and how they exercised professional scepticism and challenged management assumptions The Audit & Risk Committee Chair also speaks with the BDO Engagement Leader outside the formal Committee process as necessary throughout the year. Such interactions are also important in the assessment of quality. Based on the work carried out, the Committee are of the view that the quality of the audit process is satisfactory

Audit & Risk Committee report continued

Minimum standard	Committee activity during FY24
Independence policy and non-audit services	A formal policy exists which provides guidelines on any non-audit services which may be provided and ensures that the nature of the advice to be provided cannot impair the objectivity of the auditor's opinion on the Group's financial statements The policy makes it clear that only certain types of services are permitted to be carried out by the auditors. The policy also establishes a formal authorisation process, including either the tendering for non-audit services or pre-approval by the Committee, for allowable non-audit work. Where the expected cost of the service is in excess of 70% of the average of the statutory audit fee for the last three years, the approval of the Audit & Risk Committee Chair is required The auditor confirms their independence annually. The independence rules allow a maximum of five years as Engagement Leader of the Group. James Fearon is in his second year as BDO Group Engagement Leader Fees payable to BDO in respect of audit services, as set out in note 5 of the Annual Report, were approved by the Committee after a review of the level and nature of work to be performed and after being satisfied that the fees were appropriate for the scope of work required The non-audit services, as set out in note 5 of the Annual Report, are in relation to the interim review We are of the view that the level and nature of non-audit work does not compromise the independence of the external auditor Having considered the relationship with BDO, their qualifications, expertise, resources and effectiveness, the Committee concluded that they remained independent and effective for the purpose of FY24. As a result, the Committee recommended to the Board that BDO should be re-appointed as auditor at the next AGM
Non-financial reporting	The Committee has received updates on ESG assurance, and in particular climate-related risks and TCFD. The objective of these updates is to provide the Committee with an overview of the current and anticipated regulatory landscape and its impact on Trifast, and how the Company will meet these requirements. The Committee anticipate the Company's ESG roadmap being presented to them for review in FY25

Directors' remuneration report

Role of the Committee

To set the remuneration of the Executive Directors that attracts talented individuals and is fair in rewarding progress against the Company's strategic plan and performance.

FY24 highlights

- Review and approval of remuneration decisions with regard to the recruitment of the new Chief Executive Officer
- Undertaking a detailed review of the executive Directors' remuneration policy and arrangements to ensure it continues to appropriately support our strategy in advance of presenting to shareholders for approval at the 2024 AGM
- Engaging with shareholders on the terms of the proposed Policy
- Appointing a new Committee Chair and ensuring a smooth transition

Areas of focus for FY25

- Continued focus on pay for performance and executive remuneration considerate of wider stakeholder experience including shareholders and employees
- Commencing a review of wider workforce remuneration, incorporating what we are learning from the employee engagement feedback and Company initiatives relating to pay equity and fairness

Laura Whyte

Chair of the Remuneration Committee
Appointed on 1 April 2024

Members

- Claire Balmforth (Chair) retired 1 April 2024
- Laura Whyte (Chair) appointed 1 April 2024
- Clive Watson
- Louis Eperjesi

Remuneration Committee composition and attendance

	Jul 23	Sep 23	9 Nov 23	21 Nov 23	Feb 24	Mar 24	Attendance[1]
Claire Balmforth[2]	●	●	●	●	●	●	100%
Laura Whyte[3]						●	100%
Clive Watson	●	●	●	●	●	●	100%
Louis Eperjesi	●	●	●	●	●	●	100%

1. Attendance percentage of meetings attended whilst serving on the Board
2. Claire Balmforth retired on 1 April 2024
3. Laura Whyte was appointed as Non-Executive Director on 11 March 2024 and as Chair of the Remuneration Committee on 1 April 2024

Directors' remuneration report continued

Introduction

On behalf of the Remuneration Committee (the 'Committee'), I am pleased to present the Directors' remuneration report for the year ended 31 March 2024, my first as Chair of the Committee, having joined the Committee on 11 March and assumed the role of Chair from 1 April 2024. I am delighted to have joined the Board and look forward to supporting the progression of the strategic turnaround of the Company.

This report sets out the key decisions taken by the Committee in FY24, including those relating to the directorate changes. In addition, the Committee will be presenting an updated Policy (the 'New Policy') for shareholder approval at the 2024 AGM. Last year, the Committee rolled forward the previous Policy with only minor changes. However, there has been significant change at Trifast over the past 12 months. Our CEO has now been in the role for over nine months and has made considerable strides in setting a new strategy and building an executive team to deliver it. The turnaround strategy is built to see Trifast recover from the recent years of underperformance, rebuilding growth through a One TR approach to profitability and ultimately establishing a resilient future, delivering innovative and sustainably engineered fastening solutions to our broad range of customers. Therefore, in light of the changes in the Company's strategy during the year, the Committee felt it appropriate to undertake a detailed review of the current Policy to ensure that it remained fit for purpose.

The sections contained in this report are:

- The annual statement from the Chair of the Remuneration Committee
- The annual report on remuneration
- The proposed New Policy

This report has been prepared by the Committee in accordance with the relevant legal and accounting regulations and has been approved by the Board.

Proposed New Policy

In light of the Company's financial underperformance in recent times, which has led to significant changes in strategy to support Trifast's ongoing transformation and the need to retain key senior management, the Committee felt it appropriate to review the current Policy and, in particular, test whether the current Policy provided a remuneration framework which would:

- Stabilise and motivate the executive team to execute the turnaround plan by locking them in for a three-to-five year period as soon as practicably possible
- Fully align reward outcomes with the shareholder experience as a result of the execution of the turnaround plan

Based on the findings from its review, the Committee determined that some elements of the current Policy remain fit for purpose as they are aligned with standard market practice and support our commitment to aligning reward with performance.

However, the current LTIP structure of performance shares based on three-year financial measures provides the Committee with a significant challenge in calibrating the targets to ensure that they are appropriately stretching and aligned with investors' interests through a turnaround period, such that this arrangement was not deemed to be appropriate at the current time.

The Committee concluded that a new FY25 LTIP structure is required to both retain and incentivise the executive team to deliver the transformation required for Trifast over the next three-to-five years. After consideration of a range of alternatives, including a standard Performance Share Plan structure, the Committee determined that the most appropriate approach is to grant a special, one-off award in the form of market priced options with vesting based on hitting specified share price hurdles. In taking this approach, it was viewed that:

- The proposal is simple and transparent and will be well understood by all stakeholders
- There is a need to stabilise the executive team to deliver the turnaround plan and this structure aims to achieve that by locking the team in at the start of the plan
- The award is front-loaded such that the executive team is fully aligned from day one, but they are rewarded for performance over the next five years
- A fixed number of market value options combined with share price hurdles provide a definite alignment between payouts to management and the creation of value for shareholders. The approach is robust and flexible enough to deal with macroeconomic uncertainty
- Our major shareholders are strong advocates of absolute return based incentives, given Trifast's current position, and of the use of market priced options rather than awarding whole shares to ensure that management are not rewarded for failure

The options will vest when share price hurdles have been met during a five-year period beginning on the date of grant (the 'performance period'). Any options that have met a share price hurdle, although vested, will be subject to a continued employment condition. In addition, to align with the UK Corporate Governance Code, a performance underpin will apply to the awards such that the Committee will be required to assess underlying corporate performance ahead of the exercise of any options. Options will become exercisable as follows:

- Options that vest before the third anniversary of grant: One-third of these vested options will become exercisable on the third, fourth and fifth anniversary of grant
- Any further options that vest between the third and fourth anniversary of grant: Half of these vested options will become exercisable on the fourth and fifth anniversary of grant
- Any further options that vest between the fourth and fifth anniversary of grant: These vested options will become exercisable on the fifth anniversary of grant

Directors' remuneration report continued

Proposed New Policy continued

In line with the UK Corporate Governance Code, a holding period will apply such that the executives cannot sell any shares until the fifth anniversary of grant, albeit they will be able to sell shares to cover any tax falling due on exercise. The awards will incorporate best practice features, including malus and clawback and Committee discretion to override the formulaic outcome if it is out of line with underlying Company performance.

The Committee is comfortable with this structure on the basis that the continued employment condition, staggered exercise timeline and holding period ensures that, for the executive team to benefit, any share price increase must be sustainable such that the FY25 LTIP rewards long-term performance.

This will be the only long-term incentive award granted over the three-year Policy period. The Committee would expect to seek approval for a new arrangement to be introduced at the beginning of the fourth year of the FY25 LTIP, i.e. in FY28 where it is anticipated that the long-term incentive would revert to a more conventional target-based structure.

The Committee's intention is to award a one-off grant of market priced options under the FY25 LTIP where the exercise price is set equal to Trifast's share price shortly before the date of grant. The maximum award of a fixed number of market value options is equivalent to 2.2% of issue share capital (ISC) for the CEO and 1.3% of ISC for each other Executive Director.

In terms of implementing the FY25 LTIP, the options will vest when share price hurdles have been met during the performance period. Threshold vesting of 20% will be achieved for reaching a minimum share price hurdle and vesting then increases in 20% increments up to maximum vesting at a share price of £1.40.

It should be noted that the Committee will determine the minimum share price hurdle closer to the date of grant, taking account of the share price at that time and the Committee's desire to provide a timely retentive impact, given the lack of incentive payouts over a number of years for many of the executive team.

In determining the maximum share price hurdle, the Committee considered the following:

- Under the proposed schedule, maximum vesting will be achieved if the share price reaches £1.40. The Committee considers this to be exceptional performance and would deliver significant returns for our shareholders, i.e. the Company's market capitalisation will have increased by £85.5m to £190.6m (figures calculated in March 2024)
- The potential gearing in the FY25 LTIP ensures that the executive team are fully incentivised to continue to drive performance beyond the maximum vesting share price hurdle of £1.40
- Under this proposal, reaching a share price of £1.40 on exercise would deliver c.£1m net to the CEO, at the current rates of taxation, which the Committee feels would be an appropriate payout given Trifast's size and the increased share value investors would receive (£85.5m increase in market cap as noted above, all figures calculated in March 2024). The Committee discussed whether, in the event that the share price upon exercise was significantly higher than £1.40, a cap should be placed on the potential rewards under the one-off grant of market priced options. The Committee concluded that it would be counter-intuitive and possibly demotivating to management to cap the gain under the option when shareholders would benefit from a higher share price given that the award is intended to incentivise management to execute the business transformation and drive value for shareholders. Notwithstanding this the Committee retains the discretion to vary the level of vesting if it finds that the level of vesting would not accurately represent an individual's or business performance. This could also include factors, but not limited to, such as movements in foreign exchange rates, government initiatives, hyper inflation or business performance out of line with the underlying shareholder experience

Further details of the proposed New Policy and rationale can be found later in this statement in the FY25 implementation section and on pages 131 to 146.

In addition, the Committee determined that to better align the interests of the Executive Directors with those of the shareholders, the current bonus deferral mechanism will be enhanced so that 50% of any bonus paid will be deferred into shares for three years from the current approach whereby any bonus in excess of 100% of salary will be deferred. No other significant changes are proposed and the remaining elements of the New Policy are summarised below:

Base salary: Reviewed annually by the Committee and determined on 1 July each year. The Committee will target median salaries within FTSE Small Cap Index companies. Salary increases for Executive Directors will not normally exceed the average increase which applies across the wider Trifast UK employee population. Larger increases may be awarded in certain circumstances, including where strategic imperatives have progressed, a material change in the role and responsibilities and when an Executive Director has been appointed either internally or externally at below the market level to reflect experience.

Pension and benefits: Executive Directors will receive a pension contribution, in line with the rate available to the majority of the workforce (currently 5% of salary). The Company will provide market-competitive benefits to Executive Directors and reimburse any necessary and reasonable business expenses.

Directors’ remuneration report continued

Proposed New Policy continued

Annual bonus: Maximum opportunity of 150% of salary. 50% of any bonus earned will be paid in shares deferred for three years. Performance measures, weightings and targets will be set by the Committee each year. Payout for threshold performance at 25% of maximum, and payout for on-target performance at 50% of maximum. Malus and clawback provisions apply and the Committee has overriding discretion to change the formulaic outcome (both downwards and upwards) if it is out of line with underlying performance of the Company. Dividend equivalents may be payable on deferred shares.

All employee share plan: Sharesave plan operated in line with HMRC limits.

Shareholding requirements: Shareholding requirement of 250% of salary over five years from policy adoption while in employment. Additionally, there is a requirement to continue to hold shares equivalent to the minimum of actual shareholding on cessation of employment and in-employment shareholding requirement for a period of two years following termination of employment.

Chair and NED fees: It is anticipated that increases to Chair and NED fee levels will typically be in line with market levels of fee inflation and the increase awarded to the wider Trifast UK employee population. Larger increases above this may be awarded in certain circumstances, for example a material change in the time commitment or responsibilities of the Non-Executive Director. Additional fees may be payable in instances where work performed is outside of the scope of the individual’s role and responsibilities. The Company targets FTSE Small Cap median fees.

The Committee undertook an extensive consultation with the Company’s 15 largest shareholders, representing over 70% of the issued share capital and the main shareholder representative bodies (IA, ISS, Glass Lewis) in relation to the New Policy. The key themes that emerged were:

- We received significant support from shareholders for the FY25 LTIP structure and performance targets and the principle that management should be well rewarded if performance is strong
- Some shareholders suggested the minimum share price hurdle would need to be increased if the share price rose prior to grant, but were comfortable that the Committee could make this judgement closer to the grant date
- A small number of shareholders were concerned about the 7.5% dilution limit and asked whether the Company could consider using an Employee Benefit Trust to market purchase shares
- Some shareholders noted that there is a risk that the share price hurdles may not be hit, despite management performing well, and that it would be wrong for management to not receive a payout under these circumstances
- The Committee received one suggestion that a monetary cap should be introduced

The Committee has reflected on the feedback provided. As a result, it has updated the proposals in relation to the minimum share price hurdle, as set out above, such that it will consider it closer to the date of grant. The Committee determined not to implement a cap on payouts. However, the Committee will review the overall value on exercise of the market priced options to determine whether the level of value created is commensurate with the overall corporate performance and will scale back levels of vesting if it is not satisfied, and it wishes to clarify that the FY25 LTIP will allow the Committee to make awards up to 7.5% of issued share capital, but that the awards may be settled via a mixture of newly issued and market purchased shares At the end of the consultation, the significant majority of shareholders consulted indicated they were supportive of the proposals.

The Committee is grateful for the time that shareholders have taken to consider proposals and provide feedback.

Directorate changes

Chair role

Jonathan Shearman stepped down from the Board on 14 September 2023 with Serena Lang taking over as Chair. Serena’s Chair fee was set at £135,000.

Chief Executive Officer role

Scott Mac Meekin stepped down from his role as interim CEO and the Board on 19 September 2023. Scott remained with the business as the Head of Strategic Transformation until 19 February 2024, at which time he left the Company.

Iain Percival assumed the role of Chief Executive Officer on 20 September 2023.

In relation to Iain, the Committee determined his FY24 remuneration package in line with the Policy were as follows:

- Salary of £400,000
- Pension of 5% of salary
- Benefits in line with the Policy
- 150% of salary FY24 maximum annual bonus opportunity
- 150% of salary FY24 LTIP award

Directors' remuneration report continued

Directorate changes continued

Chief Financial Officer role

Darren Hayes-Powell left his role as Chief Financial Officer on 21 February 2024. Kate Ferguson, the Group Financial Controller, assumed the role of interim CFO on 22 February 2024. Although Kate attends Board meetings, on the basis that she is not an appointed Board member, her remuneration details are not included in this report.

In line with the 2023 Policy regarding loss of office payments, the Remuneration Committee determined that Darren be treated as a good leaver. He received the following:

- 12 months of fixed pay in respect of his notice period and additional payments in line with the Policy
- Annual bonus pro-rated for time served during FY24, subject to the achievement of performance targets
- In-flight FY24 LTIP award pro-rated for time served during the vesting period, vesting on the normal date subject to the achievement of performance targets

See page 127 for further details.

Role and activities of the Committee

The primary role of the Committee is unchanged, which is to provide our Executive Directors with remuneration that motivates and aligns them with delivery of our strategy and creates shareholder value in a sustainable manner. In addition, it is our duty to ensure that the remuneration received by the Executive Directors is proportionate to the performance achieved and the returns received by shareholders. The main activities of the Committee were as follows:

- Review of current Policy and development of New Policy proposals, including determining the appropriate structure of the FY25 LTIP
- Engaging with shareholders in relation to the New Policy proposals
- Determination of implementation of Policy in light of directorate changes
- Determination of the final remuneration outcomes for FY24
- Determining the appropriate FY25 annual bonus and LTIP targets
- Oversight of the remuneration aspects of Senior Management and wider workforce pay and policies
- Consideration of our gender pay reporting summary
- Review the Remuneration Committee's terms of reference

FY24 Company performance

Against a backdrop of continued subdued demand conditions in a number of geographic and end market sectors, Trifast's trading performance in the final quarter of FY24 was resilient and supported by the self-help initiatives launched during the year. As a result, the Group's revenue (£233.7m) and profitability (underlying PBT: £6.5m) for FY24 were marginally ahead of guidance issued in January 2024, albeit these were significantly below the Board's approved budget and the market's original expectations for the year.

Management has continued to focus on the operational improvement programme instigated in 2023, to drive enhanced efficiency and productivity, and we remain committed to delivering phased savings, the bulk of which will be delivered in FY25.

As part of this programme, we are pleased to report that we completed Project Atlas across the global business which will enable the business to collaborate more productively as we refocus our activities. The anticipated consolidation of UK sites into the purpose-built UK National Distribution Centre has been slightly behind our original target of March 2024. This was mainly due to the complexities of integrating four regional business units, including our largest site, Bellbrook Park, into one location with limited disruption to the business. Our final location integration was completed in June 2024.

We are confident that the NDC will enable us to rebuild revenues with a much higher level of efficiency and gives the UK business a stronger platform to benefit from demand recovery in the short to medium term.

Working capital and cash management continues to be a key focus, with the Group delivering a significant reduction in inventory levels and strong cash generation over the course of FY24, ahead of our original targets.

Directors' remuneration report continued

FY24 remuneration outcomes

Annual bonus

Given the Company's performance set out above, threshold performance was not achieved against the underlying profit before tax target. In line with Policy, the Committee was unable to consider payment of any bonus from the average working capital % and strategic and operational elements as threshold performance was not met for the profit-based measure. Therefore, no FY24 annual bonus is payable to the Executive Directors that served during the year and the Committee noted that the outcome reflected underlying Company performance.

Long-Term Incentive Plan (LTIP)

Vesting

The current Executive Director was not in employment when the FY22 LTIP award grant was made on 3 August 2021, the performance period of which ended on 31 March 2024. For completeness, the award was assessed against the EPS (70% weighting) and relative TSR (30% weighting) targets.

Trifast's performance was below the threshold level for each of these, which resulted in nil vesting. The Committee noted that the FY22 LTIP vesting outcome was aligned with Company performance as well as shareholders' experience. Full details of Trifast's performance against the FY22 LTIP targets is provided on page 124.

Grant

The Committee granted FY24 LTIP awards equivalent to 150% and 125% of salary to Iain Percival and Darren Hayes-Powell respectively on 28 November 2023.

In line with Policy, the awards were granted in the form of nil cost options, have a three-year vesting period and are subject to a two-year post-vesting holding period. The performance conditions attached to the awards were relative TSR (75% weighting) and underlying operating margin (UOM) (25% weighting). The Committee will have overriding discretion to change the formulaic outcome (both downwards and upwards) if it is out of line with the underlying performance of the Company and this will include an assessment of whether any windfall gains have been made.

The UOM target, to be achieved in FY26, the final year of the performance period, at threshold performance is 8.2% for 25% vesting, 9.1% for 50% vesting, 10% for 75% vesting and 11% at maximum performance with straight-line vesting between these points. The relative TSR targets remain unchanged but will now be assessed against the FTSE All Share Index on the basis that it provides a more appropriate, broader comparison of companies facing similar global challenges to Trifast.

The Committee is comfortable that the performance measures are appropriate and that the targets are challenging given the current economic conditions. Full details of the performance targets can be found in the annual report on remuneration on page 136.

The treatment of Darren Hayes-Powell's FY24 LTIP award is set out above.

Overall

The Committee is comfortable that the current Policy operated as intended and that the overall FY24 remuneration paid to Executive Directors was appropriate. Therefore, the Committee did not exercise any discretion.

Wider workforce considerations

In terms of the wider workforce in the UK, an average increase of 5.9% will be applied from 1 July 2024. This increase, although later than in prior years, reflects the need to ensure our rates of pay keep track with inflation. This cost-of-living increase approach has been applied across our global workforce.

The current focus in relation to engagement has continued to centre around communicating regularly with our employees and conducting employee surveys. Our surveys focus on our culture and the wellbeing of employees.

We have continued to engage with our workforce to get open and engaging feedback. The engagement survey results were presented to the Nomination Committee, with a refresh of the engagement process to ensure the Non-Executive Directors get a true and direct view on key topics across the Company. As the Non-Executive Directors visit sites, we will take a structured approach to gain insights into leadership, capacity, communication, work/life balance and the culture within the business. We are keen as a wider Board to ensure that the newly stated values are truly brought to life in how we support our colleagues and operate business. The refreshed approach will help us measure the adoption of the values in the daily working. Read more about our employee engagement on page 40.

We also published our seventh gender pay gap report in March 2024 (relating to the report for April 2023). We were encouraged to see that our median gender pay gap of +6% (i.e. our female employees are paid 6% more than our male employees) and the median bonus gap of nil demonstrates that Trifast is an equal opportunities organisation. We are proud that we have bonus schemes covering a significant number of our employees. Our gender pay gap report can be found on our corporate website at **www.trfastenings.com**.

Directors' remuneration report continued

Wider workforce considerations continued

We continue to be committed to creating an inclusive working environment and to rewarding all our employees in a fair manner and believe they should be able to share in the success of the Company. To facilitate this, we operate a popular Save As You Earn (SAYE) share plan which is open to all UK employees and are delighted that so many of them are currently enrolled.

Implementation for FY25

We set out the proposed implementation of the New Policy for FY25 below:

Salary

Given the Company's performance, the Committee has determined that the CEO will not receive an increase in base salary for FY25.

Pension

The pension contribution for FY25 for the CEO will continue to be 5% of salary, in line with the rate available to the majority of the workforce.

Annual bonus

The Committee determined the maximum annual bonus opportunity at 150% of salary for the CEO. In line with standard market practice, the Policy provides the Committee with the flexibility to determine the appropriate bonus measures, weightings and targets each year. The performance measures for the FY25 annual bonus will be 60% based on underlying profit before tax (UPBT) targets, 20% on average working capital percentage targets and 20% based on strategic and operational targets which will be linked to the execution of the transformation plan and include specific sustainability objectives. Additionally, no bonus payment can be made unless threshold UPBT performance has been achieved. Performance targets set by the Committee will be challenging but with an appropriate probability of payout and disclosed in detail in next year's remuneration report. In line with the proposed New Policy, 50% of any bonus payable will be deferred into shares for three years.

FY25 LTIP award

Please see the section above. The CEO will be granted a fixed number of market-priced options which is equivalent to 2.2% of ISC. Awards granted to each other Executive Director will be in line with Policy and determined on appointment.

Non-Executive Chair and Director fees

In line with the approach for the CEO, there will be no increase to Non-Executive Chair and Director fees for FY25.

Looking ahead

The Committee is comfortable that the operation of the Policy in FY24, alongside the proposed New Policy and its implementation for FY25, are in line with the best interests of the Group and will incentivise and retain those team members who are critical to executing our business strategy and driving the long-term creation of value for shareholders. We look forward to your support for the advisory vote on the annual report on remuneration and the binding vote on the New Policy at the forthcoming AGM.

I would also like to take this opportunity to thank my predecessor as Remuneration Committee Chair, Claire Balmforth, for her leadership and for steering the Committee with a strong set of policies and practices upon which our decisions can be made.

Finally, I would like to acknowledge the dedication of all our staff who have worked hard to deliver a number of operational initiatives and create a team ready to build on the strengths of our TR brand worldwide.

Laura Whyte
Chair of the Remuneration Committee

26 July 2024

Directors' remuneration report continued

Annual report on remuneration

This section of the remuneration report contains details as to how the Company's current remuneration Policy was implemented during FY24. The Committee is satisfied that the Policy operated as intended in FY24 and its implementation did not deviate from the approved Policy. It also covers how the New Policy will be implemented in FY25 on the basis it is approved by shareholders at the 2024 AGM. In the first part of this report, we have also set out information with regard to our wider workforce and pay fairness.

Pay at Trifast

To attract and retain high-calibre individuals, we aspire to become an employer of choice within our sector, maintaining a competitive reward package that balances fairness to our colleagues as well as responsible use of shareholders' funds. Our pay principles are as follows:

- Support the recruitment and retention of high-quality colleagues
- Enable us to recognise and reward colleagues appropriate to their contribution and achievement of objectives
- Help to ensure that decisions on pay are managed in a fair, just and transparent way
- Create a direct alignment between our Company culture and our reward strategy

Through the application of these principles, the Company has continued to attract industry specialists with global experience at senior levels.

How the Committee is informed on wider workforce pay

To build the Remuneration Committee's understanding of reward arrangements applicable to the wider workforce, the Committee is provided with data on the remuneration structure for management level tiers below the Executive Directors and pay outcomes for these roles. The Committee has developed a process whereby it will be provided with feedback from the Company's various engagement tools, such that it has access to further context in making decisions on future pay outcomes. This information is combined with the insights the Committee gains during site visits and which Laura Whyte, who is the Designated Non-Executive Director for employee engagement, will lead in the coming year. The Committee uses this information to ensure consistency and fairness of approach throughout the Company in relation to remuneration.

Summary of the proposed Directors' Remuneration Policy

The key elements from the Directors' remuneration Policy, which will be put forward for shareholder approval at the AGM on 10 September 2024, and how it will be implemented for FY25, are summarised below. The Committee does not intend to deviate from the New Policy in FY25.

The full New Policy is set out on pages 131 to 146.

Element	Policy summary	Implementation for FY25
Base salary	Base salary is reviewed annually by the Committee and determined on 1 July each year. The Committee will target median salaries within FTSE Small Cap Index companies. Salary increases for Executive Directors will not normally exceed the average increase which applies across the wider Trifast UK employee population Larger increases may be awarded in certain circumstances, including where strategic imperatives have progressed, a material change in the role and responsibilities and when an Executive Director has been appointed either internally or externally at below the market level to reflect experience The Committee also considers the impact of any base salary increase on the total remuneration package	The Committee has determined that the CEO will not receive an increase in base salary for FY25. FY25 salary is therefore as follows: • Iain Percival (CEO): £400,000

Directors' remuneration report continued

Annual report on remuneration continued

Summary of the proposed Directors' Remuneration Policy continued

Element	Policy summary	Implementation for FY25
Pension and benefits	Executive Directors will receive a pension contribution, in line with the rate available to the majority of the workforce The Company will provide market-competitive benefits to Executive Directors and reimburse any necessary and reasonable business expenses	The pension contribution for FY25 for the CEO will be 5% of salary, in line with the rate available to the majority of the workforce No change to benefit provision
Annual bonus	Maximum opportunity of 150% of salary. 50% of any bonus earned will be paid in shares deferred for three years Performance measures, weightings and targets will be set by the Committee each year Payout for threshold performance at 25% of maximum, and payout for on-target performance at 50% of maximum Malus and clawback provisions apply. Dividend equivalents may be payable on deferred shares The Committee has overriding discretion to change the formulaic outcome (both downwards and upwards) if it is out of line with underlying performance of the Company	The Committee awarded a FY25 bonus with a maximum opportunity of 150% of salary to the CEO The Committee determined that the performance measures and weightings will be as follows: • 60% based on underlying profit before tax (UPBT) targets • 20% based on average working capital % targets • 20% based on strategic and operational targets based on the execution of the transformational plan, and include specific sustainability objectives • No bonus payment can be made under the average working capital % element or the strategic and operational element unless threshold UPBT performance has been achieved Targets are deemed commercially sensitive and will be disclosed in the FY25 Annual Report In line with Policy, payout for threshold performance is 25% of maximum, and payout for on-target performance is 50% of maximum

Directors' remuneration report continued

Annual report on remuneration continued

Summary of the proposed Directors' Remuneration Policy continued

Element	Policy summary	Implementation for FY25
FY25 LTIP	One-off grant of a fixed number of market priced options where the exercise price is set equal to Trifast's share price shortly before the date of grant. This will be the only long-term incentive award granted to the Executive Directors over the three-year Policy period The options will vest when share price hurdles have been met during a five-year period beginning on the date of grant The CEO and each other Executive Director will have a maximum award of market priced options which is equivalent to 2.2% and 1.3% of the issued share capital (ISC) respectively Any options that have met a share price hurdle, although vested, will be subject to a continued employment condition A performance underpin will apply to the awards such that the Committee will be required to assess underlying corporate performance ahead of the exercise of any options Options will become exercisable as follows: • Options that vest before the third anniversary of grant: One-third of these vested options will become exercisable on the third, fourth and fifth anniversary of grant • Any further options that vest between the third and fourth anniversary of grant: Half of these vested options will become exercisable on the fourth and fifth anniversary of grant • Any further options that vest between the fourth and fifth anniversary of grant: These vested options will become exercisable on the fifth anniversary of grant A holding period will apply such that the executives cannot sell any shares until the fifth anniversary of grant, albeit they will be able to sell shares to cover any tax falling due on exercise Malus and clawback provisions apply Overriding discretion in line with annual bonus	The CEO will be granted a fixed number of market priced options which is equivalent to 2.2% of the ISC. Awards granted to each other Executive Director will be in line with Policy and determined on appointment. Threshold vesting of 20% will be achieved for reaching a minimum share price hurdle and vesting then increases in 20% increments up to maximum vesting at a share price of £1.40. It should be noted that the Committee will determine the minimum share price hurdle closer to the date of grant, taking account of the share price at that time and the Committee's desire to provide a timely retentive impact, given the lack of incentive payouts over a number of years for many of the executive team. To provide an illustrative example of the minimum hurdle, if it was set currently with Trifast's share price being around £0.75, the Committee would determine c.£0.80 to be appropriate.

Share price (£)	Vesting
To be determined closer to grant date	20%
TBC	TBC
TBC	TBC
TBC	TBC
£1.40	100%

Directors' remuneration report continued

Annual report on remuneration continued

Summary of the proposed Directors' Remuneration Policy continued

Element	Policy summary	Implementation for FY25
Minimum shareholding requirements	Shareholding requirement of 250% of salary over five years from policy adoption while in employment. Additionally, there is a requirement to continue to hold shares equivalent to the minimum of actual shareholding on cessation of employment and in-employment shareholding requirement for a period of two years following termination of employment	The shareholding requirement in FY25 will be 250% of salary Post-employment shareholding requirement will also apply
Non-Executive Director fees	It is anticipated that increases to Chair and NED fee levels will typically be in line with market levels of fee inflation and the increase awarded to the wider Trifast UK employee population. Larger increases above this may be awarded in certain circumstances, for example a material change in the time commitment or responsibilities of the Non-Executive Director. Additional fees may be payable in instances where work performed is outside of the scope of the individual's role and responsibilities The Company targets FTSE Small Cap median fees	In line with the approach for the Executive Directors, there will not be an increase to any Non-Executive Director fees for FY25. From 1 April 2024, fees are as follows: • Chair: £135,000 • NED: £45,000 • SID: £6,000 • Committee Chair fee: £8,000 • Committee membership fee: £5,000/£8,000

Executive Directors are also entitled to participate in the Company's all employee share plan (SAYE) operated in the UK.

Directors' remuneration report continued

Annual report on remuneration continued

Linking our remuneration policy with our business strategy

Our proposed New Policy has been designed to align with the Group's updated strategy. Below we have set out how each performance measure within our incentive structure links back to our key objectives.

Our key objectives

- Margin management
- Focused growth
- Organisational effectiveness
- Operational efficiency

KPIs	Margin management	Focused growth	Organisational effectiveness	Operational efficiency
Underlying profit before tax (%)	■	■		
Working capital as a percentage of revenue (%)	■			■
Underlying ROCE (%)	■	■	■	■
CO_2e reduction			■	■
Lost time incident rate			■	■
Employee engagement			■	■

Annual bonus

Measure	Link to strategy
Underlying PBT	Focus on: • Margin management • Focused growth
Average working capital percentage	Focus on: • Margin management • Operational efficiency
Strategic/ operational	Focus on: • People, culture and safety • Sustainability • Innovation • Technology • Commercial excellence

FY25 LTIP

Measure	Link to strategy
Share price hurdles	• Linked to shareholder value • Focus on performance
Corporate performance underpin	• Focus on gross margin improvements and operational efficiencies • Focus on organic growth
Shareholding guidelines	• Linked to shareholder value

Key

- Margin management
- Focused growth
- Organisational effectiveness
- Operational efficiency

Directors' remuneration report continued

Annual report on remuneration continued

How the Company addressed factors in Provision 40 of the 2018 UK Corporate Governance Code

The Code requires the Committee to determine the policy and practices for Executive Directors in line with several factors set out in Provision 40. The following table sets out how the New Policy aligns with Provision 40 of the Code, the objective of which is to ensure the remuneration operated by the Company is aligned to all stakeholder interests, including those of shareholders.

Remuneration factors	How the Committee has addressed this in the remuneration policy
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce	The Company's performance-based remuneration is based on supporting the implementation of the Company's strategy as measured through its KPIs and share price growth. There is transparency over the performance metrics in place for both annual bonus and the FY25 LTIP and there is a clear link between long-term value creation and the provision of reward to Executive Directors and Senior Management
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand	The market standard annual bonus structure and proposed market value option-based FY25 LTIP are well understood by shareholders and participants alike
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans are identified and mitigated	Identified risks have been mitigated as follows: • Deferring 50% of annual bonus into shares and the holding period on the FY25 LTIP, until the fifth anniversary of grant, helps ensure that the performance earnings awards is sustainable and thereby discourages short-term behaviours • Aligning reward to the agreed strategy of the Company • Reducing the awards or cancelling them if the behaviours giving rise to the awards are inappropriate, through malus and clawback • Reducing annual bonus or FY25 LTIP awards or cancelling them, if it appears that the criteria on which the award was based does not reflect the underlying performance of the Company
Predictability – the range of possible value of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy	The Remuneration Committee has good line of sight and control over the potential performance outcomes, and the actual and perceived value of incentives The Policy sets out the potential remuneration available in several performance scenarios
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance	One of the key strengths of the proposed approach of the Company to remuneration is the direct link between the returns strategy and the value received by Executives The schematic on page 139 sets out the potential remuneration available in several performance scenarios
Alignment to culture – incentive schemes should drive behaviours consistent with Company purpose, values and strategy	The FY25 LTIP and annual bonus deferral reward long-term sustainable performance. This focus on long-term sustainable value is a key tenet of the Company's strategy

Directors' remuneration report continued

Annual report on remuneration continued

Alignment between wider workforce pay and Directors' Remuneration Policy

Trifast aims to provide a remuneration package for all employees which is market competitive and operates a similar structure as for the Executive Directors. The Company's remuneration philosophy for all employees from the Executive Directors downwards is that they should have a meaningful element of performance-based pay. For Executive Directors, the LTIP and 50% of the annual bonus is provided in shares to ensure a focus on long-term sustainable value creation and to align their experience with that of shareholders. The Company's LTIP extends to selected Senior Management within the Company, with the number of employees eligible to participate being c.60 from across 16 countries. The majority of the wider workforce participate in a performance-based discretionary bonus. The Company also has a Save As You Earn scheme (SAYE) for all UK employees in order to increase levels of share-ownership throughout the Company and allow employees to share in its success.

The table below illustrates the cascade of our reward structure from Executive Directors to the wider employee population.

	Fixed remuneration	Annual bonus – cash	Annual bonus – deferral	LTIP	UK employee share scheme (SAYE)
Executive Directors	Y	Y	Y	Y	Y
Executive Leadership Team	Y	Y	N	Y	Y
Senior Management	Y	Y	N	Y	Y
Wider workforce	Y	Y	N	N	Y

The Committee is satisfied that the approach to remuneration across the Company is consistent with the Company's principles of remuneration. In the Committee's opinion, the approach to executive remuneration aligns with the wider Company pay policy and there are no anomalies specific to the Executive Directors.

CEO pay ratio

The table below sets out the ratios of the CEO single total figure of remuneration to the equivalent pay for the lower quartile, median and upper quartile of UK employees.

		Pay ratio		
Year	Method	25th percentile	50th percentile	75th percentile
FY24	**Option A**	**15:1**	**13:1**	**8:1**
FY23	Option A	19:1	15:1	10:1
FY22	Option A	24:1	19:1	13:1
FY21	Option A	17:1	14:1	9:1
FY20	Option A	18:1	14:1	10:1

The CEO remuneration figure is as shown in the single total figure for Executive Directors' remuneration table on page 122, being the total for the two individuals that held the role during FY24. The remuneration figures for the employee at each quartile were determined as at 31 March 2024. Each employee's pay and benefits were calculated using each element of employee remuneration, consistent with the CEO, on a full-time equivalent basis. No adjustments (other than to achieve full-time equivalent rates through simple proration) were made and no components of pay, except SAYE awards consistent with FY23, have been omitted.

Bonus payments included in total pay and benefits for below Board employees are those paid in the year to 31 March 2024 rather than those earned in the same period.

Directors' remuneration report continued

Annual report on remuneration continued

CEO pay ratio continued

The salary and total pay and benefits for the employee at each of the 25th, 50th and 75th percentiles are as shown in the table below:

Pay data	Base salary £000	Total pay and benefits £000
CEO[1]	400	432
Employee at 25th percentile	24	28
Employee at 50th percentile	28	33
Employee at 75th percentile	44	52

1. Includes a full year of CEO remuneration; including remuneration paid to Scott Mac Meekin (interim CEO) from 1 April 2023 to 19 September 2023 and remuneration for Iain Percival from 20 September 2023 to 31 March 2024

We have chosen methodology option A for the calculation, to identify the three UK employees at each of the quartiles as at 31 March 2024. In line with the regulations, all employees across our four UK subsidiaries were used in the calculation. This method was chosen given its robustness in determining these three UK employees.

The ratios will be used as part of the Committee's remuneration decision-making process regarding broader employee pay policies as well as remuneration policies for the Executive Directors. They reflect the difference in remuneration arrangements as responsibility increases for more senior roles within the Company. There may therefore be significant volatility in this ratio, caused by the following:

- Our CEO pay is made up of a higher proportion of incentive pay than that of our employees, in line with the expectations of our shareholders, which introduces a higher degree of variability in their pay each year versus that of our employees
- A significant proportion of our CEO's pay is provided in shares, and their value reflects the movement in share price over the three years prior to vesting. This can add significant volatility to the CEO's pay and may be reflected in the ratio if the Company meets the respective targets

The FY24 CEO pay ratios at the 25th, 50th and 75th percentiles are lower than the equivalent FY23 ratios. This is primarily a result of increases in the total pay and benefits of the employees at each of the percentiles. The Committee is comfortable that the median ratio is consistent with the Company's pay and progression policies.

Gender pay gap reporting

Trifast is committed to the principle of equal opportunities and equal treatment for all colleagues, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. The Company has concluded that the single most important factor is to identify, recruit and develop people based on skills and merit. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above).

Trifast is therefore confident that our gender pay gap does not stem from paying men and women differently for the same or equivalent work but is instead the result of the roles in which men and women work within the organisation and the salaries that these roles attract.

Our median gender pay, calculated for TR Fastenings UK, was 6% in favour of women. We are pleased that this remains significantly below the UK average. Our gender pay gap report can be found on our corporate website at www.trfastenings.com.

Remuneration justification

The Committee is comfortable that the internal and external pay relativity reference points set out provide justification that the remuneration arrangements for Executive Directors are appropriate and illustrate the suitability of the changes being made to the New Policy.

Directors' remuneration report continued

Annual report on remuneration continued

How executive remuneration is communicated with stakeholders, shareholders and employees

Please see details of our engagement with shareholders in the section on stakeholder engagement on page 24 and the Chair's introduction to governance on page 78.

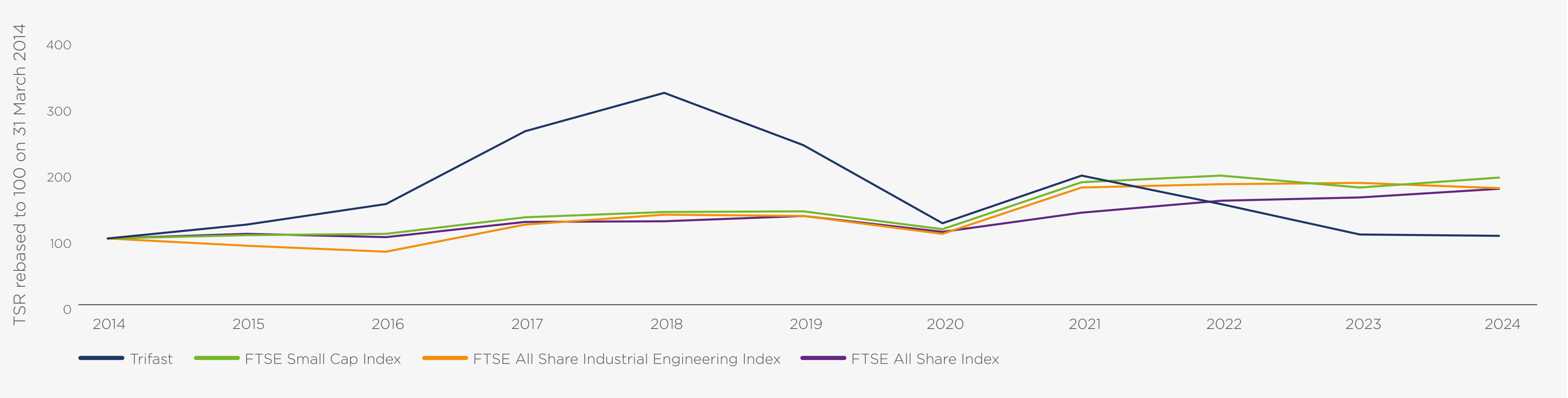
As outlined, the Company and the Board seek to engage with employees utilising a number of communication channels. In the engagement process, remuneration is covered as a specific topic and is a primary focus when the Non-Executive Directors engaged with employees on site. Employees are asked about their own remuneration, overall reward package and how they view other engagement topics such as communication, work-life balance and culture. The feedback on remuneration will be reviewed by the Committee to ensure that we have a watching brief on fairness and transparency on the overarching reward strategy. See page 40 for further information on employee engagement.

CEO and all-employee pay

Total shareholder return

The graph below sets out the total shareholder return performance of the Company compared to the FTSE All Share, FTSE Small Cap Index and FTSE All-Share Industrial Engineering Index over a ten-year period from 31 March 2014. The Remuneration Committee believes it is appropriate to monitor the Company's performance against these indices as they best reflect the Company's peer group and industrial sectors.

Ten-year TSR graph



Directors' remuneration report continued

Annual report on remuneration continued

Performance and pay

The table below shows the single figure of remuneration and levels of bonus and equity payouts for the Group CEO during the past ten years:

Financial year	Total single figure of remuneration £000	Annual cash bonus payout against maximum	Equity award payout against maximum
2024	**432[1]**	**0%**	**0%**
2023	445[2]	0%	0%
2022	505	23.7%	0%
2021	366	n/a	0%
2020	383	0%	0%
2019	367	0%	n/a
2018	629	70%	n/a
2017	811	100%	100%[3]
2016	641[4]	50%	100%[3]
2015	766	100%	100%[3]

1. Includes a full year of CEO remuneration; including remuneration paid to Scott Mac Meekin (interim CEO) from 1 April 2023 to 19 September 2023 and remuneration for Iain Percival from 20 September 2023 to 31 March 2024
2. Includes a full year of CEO remuneration; including remuneration paid to Mark Belton from 1 April 2022 to 18 February 2023 and remuneration for Scott Mac Meekin (interim CEO) from 20 February 2023 to 31 March 2023
3. This is the vesting of the deferred equity awards under a previous policy
4. Includes a full year of CEO remuneration; including remuneration paid to Jim Barker from 1 April 2015 to 30 September 2015 and remuneration for Mark Belton from 1 October 2015 to 31 March 2016

Directors' remuneration report continued

Annual report on remuneration continued

Percentage change in Directors' remuneration compared to employees

The table below compares the percentage increase in each Director's pay with the average pay of the Company's colleagues in the listed entity on a full-time equivalent basis. Please note that given the significant changes in Executive Directorships during FY23 and FY24 there are a number of significant increases/decreases as a result of this, which are fully explained in the notes below.

	% change from FY23 to FY24			% change from FY22 to FY23			% change from FY21 to FY22			% change from FY20 to FY21		
	Salary/ fees	Taxable benefits	Annual bonus[12]	Salary/ fees	Taxable benefits	Annual bonus[12]	Salary/ fees[10]	Taxable benefits	Annual bonus[12]	Salary/ fees[10]	Taxable benefits	Annual bonus
Iain Percival (CEO)[1]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scott Mac Meekin (interim CEO, previously NED)[2]	**101.1%**	**450.0%**	**n/a**	82.4%	n/a	n/a	6.3%	n/a	n/a	(4.6)%	n/a	n/a
Darren Hayes-Powell (CFO)[3]	**168.0%**	**185.7%**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Serena Lang (NED and Chair)[4]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	(4.6)%	0.0%	n/a
Jonathan Shearman (previous NED and Chair)[5]	**(15.6)%**	**n/a**	**n/a**	14.1%	n/a	n/a	7.1%	n/a	n/a	216.0%	n/a	n/a
Clive Watson (Senior Independent NED)[6]	**0.0%**	**n/a**	**n/a**	3.2%	n/a	n/a	55.0%	n/a	n/a	n/a	n/a	n/a
Claire Balmforth (previous NED)[7]	**0.0%**	**n/a**	**n/a**	3.6%	n/a	n/a	5.7%	n/a	n/a	n/a	n/a	n/a
Louis Eperjesi (NED)[8]	**346.2%**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Laura Whyte (NED)[9]	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Nicholas Mills (NED)	**n/a**	**n/a**	**n/a**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average employee[11]	**12.0%**	**22.2%**	**(98.3)%**	17.9%	35.0%	396.5%	(5.6)%	12.0%	(39.5)%	27.1%	43.3%	(37.2)%

1. Iain Percival was appointed CEO on 20 September 2023
2. Scott Mac Meekin was appointed interim CEO on 20 February 2023 and then stepped down from this role on 19 September 2023. He received NED fees only prior to 20 February 2023. Therefore, the change from 2022 to 2023 and from 2023 to 2024 reflects these changes in role
3. Darren Hayes-Powell was appointed to the Board on 1 December 2022 and then left this role on 21 February 2024
4. Serena Lang was appointed to the Board on 10 August 2023 and was then appointed as Chair on 14 September 2024 following Jonathan Shearman's retirement
5. Jonathan Shearman was appointed as Chair of the Board on 1 April 2020. Therefore, the increase in fees between 2020 and 2021 set out above reflects the change from his previous role as NED and Remuneration Committee Chair. The increase in fees between 2022 and 2023 is due to the Chair fee being temporarily increased while spending additional time supporting the interim CEO, as set out above. He then retired on 14 September 2023
6. Clive Watson was appointed to the Board on 30 July 2020. The increase from 2021 to 2022 reflects the fact that he only served for eight months as a Director during FY21
7. Claire Balmforth was appointed to the Board on 1 April 2020 and retired on 1 April 2024
8. Louis Eperjesi was appointed to the Board on 3 January 2023
9. Laura Whyte was appointed to the Board on 11 March 2024
10. Salary/fees for Directors who remained in the same role for FY20 and FY21 showed a 4.6% decrease between 2020 and 2021 as a result of the 20% reduction in pay taken by the Board in Q1 of FY21. Therefore, the increases between 2021 to 2022 are higher than the FY22 salary and fee increases awarded given the temporary reduction in FY21 pay
11. In line with the regulations, the average employee percentage changes only include employees of Trifast plc, excluding Directors (22 employees as at 31 March 2024). The annual bonus increase has been calculated based on bonus paid in the year rather than those earned in the same period
12. Annual bonus increase is n/a due to Executive Directors not receiving a bonus or not being employed at the start or end of the period

Directors' remuneration report continued

Annual report on remuneration continued

Relative importance of spend on pay

The following table shows the relative spend on pay during the past two financial years when compared to other disbursements from profit:

	Year to 31 March 2024	Year to 31 March 2023	Change
Dividend distributions	**£2.43m**	£3.02m	(19.5)%
Group spend on pay (including Directors)	**£38.79m**	£41.57m	(6.69)%
Other pay	**£6.85m**	£7.69m	(10.9)%
Total remuneration[1]	**£45.64m**	£49.26m	(7.3)%

1. Total remuneration excludes IFRS 2 Share-based Payments credit of £1.0m (FY23: <£0.1m). Including this, total remuneration would be £44.64m (FY23: £49.3m)

The following section, until page 128, is auditable.

Executive Director remuneration for the year ended 31 March 2024

Executive Director single figure of remuneration

			Annual bonus[5]							
	Salary/fees £000	Taxable benefits[4] £000	Cash £000	Shares £000	LTIP[6] £000	Pensions[7] £000	Other[8] £000	Total fixed £000	Total variable £000	Total £000
Iain Percival[1]	212	11	—	—	—	11	0	234	0	234
Prior year	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Scott Mac Meekin[2]	186	11	—	—	—	—	0	197	0	197
Prior year	93	2	—	—	—	—	10	95	10	105
Darren Hayes-Powell[3]	268	20	—	—	—	13	3	301	3	304
Prior year	100	7	—	—	—	5	5	112	5	117
Totals	666	42	—	—	—	24	3	732	3	735
Prior year totals	193	9	—	—	—	5	15	207	15	722

1. Iain Percival was appointed to the role of CEO on 20 September 2023
2. Scott Mac Meekin was appointed to the role of interim CEO on 20 February 2023 and stepped down from this role on 19 September 2023. His salary/fees in FY23 include his fees for services when he was a Non-Executive Director. 90% of Scott Mac Meekin's salary was paid in Singaporean $ and 10% in GBP, in line with his service contract
3. Darren Hayes-Powell was appointed to the role of CFO on 1 December 2022 and he left this role on 21 February 2024
4. Taxable benefits included the cost of providing a company car (or car allowance), private medical insurance and critical illness cover
5. No annual bonus was earned for FY23 and FY24. See additional details in relation to the annual bonus element of remuneration below
6. The performance period of the FY22 LTIP award granted on 3 August 2021 ended on 31 March 2024 and therefore its value (£nil) is included in the LTIP column for FY24. See additional details on the performance outcomes of the FY22 LTIP and the FY24 LTIP award granted in the year below on page 124
7. Iain Percival and Darren Hayes-Powell were members of the Company's non-contributory pension plan in FY24. This is an HMRC-approved defined contribution scheme. The rate of Company contribution to this scheme is 5% of base salary. The Executive Directors are also provided the option to take pension payments in the form of a cash allowance, after a deduction for Employer's National Insurance. In FY24, Iain Percival chose to take a proportion of his pension as a cash allowance. No Executive Directors participate in a defined benefit scheme
8. Other expenses relate to relocation expenses when appointed to the role

Directors' remuneration report continued

Annual report on remuneration continued

Executive Director remuneration for the year ended 31 March 2024 continued

(i) Annual bonus for year ended 31 March 2024

Scott Mac Meekin had a maximum annual bonus opportunity of 150% of salary. Darren Hayes-Powell had a maximum annual bonus opportunity of 125% of salary which was pro-rated for time served in the year in line with his status as a good leaver. Iain Percival had a maximum annual bonus opportunity of 150% of salary which was pro-rated for time served in the year.

The annual bonus measures were based 70% on underlying profit before tax, 20% on average working capital percentage targets and 10% on strategic/operational targets (5% weighting on a carbon emissions reduction target aligned with the Company's ESG strategy and 5% weighting on reducing Group net debt). In line with policy, the average working capital and strategic and operational measures will only pay out if the threshold underlying profit before tax performance target has been achieved, to ensure alignment between the annual bonus outturn and underlying corporate performance. The table below provides information on the targets for each measure, actual performance and resulting bonus payments:

		Performance required			Actual performance		Scott Mac Meekin		Iain Percival		Darren Hayes-Powell	
Measure	Weighting	Threshold	On target	Maximum	Actual	% of element payable	Achievement as % salary	Bonus value £000	Achievement as % salary	Bonus value £000	Achievement as % salary	Bonus value £000
Underlying profit before tax	70%	£10.8m	£12.0m	£14.5m	£6.5m	nil%	nil%	nil	nil%	nil	nil%	nil
Average working capital percentage	20%	53%	49%	45%	40.8%	nil%	nil%	nil	nil%	nil	nil%	nil
Strategic/operational targets	10%	Objectives based on strategic/operational			See above	nil%	nil%	nil	nil%	nil	nil%	nil
Total bonus achieved in FY24							**nil%**	**nil**	**nil%**	**nil**	**nil%**	**nil**

Given that the threshold target under the underlying profit before tax measure was not achieved, the payout from the average working capital % is set to nil.

FY24 annual bonus outcomes: strategic/operational objectives

Given that the threshold target under the underlying profit before tax measure was not achieved, the payout from the strategic and operational measures is also automatically set at nil, such that the Remuneration Committee was not required to test their achievement for FY24. However, in line with our commitment to provide transparency in relation to both of these bonus elements, we set out below a summary of these measures and their achievement for FY24.

Objective	FY24 achievements
ESG – GHG emissions	31.8% carbon emission reduction since 2019 against a target of 21.0%
Group adjusted net debt	Group adjusted net debt reduced from £38.0m to £21.0m

Overall, there is no FY24 annual bonus payable for any Executive Director that served during the year which the Committee noted was in line with the underlying performance of the Company.

Directors' remuneration report continued

Annual report on remuneration continued

Executive Director remuneration for the year ended 31 March 2024 continued

(ii) LTIP performance period ending in the year ended 31 March 2024

None of the current Executive Directors were granted a FY22 LTIP award on 3 August 2021. For completeness, the performance conditions attached to this award, and Trifast's performance against them, are set out below. The three-year performance period for these awards ended on 31 March 2024 and they were granted subject to the achievement of certain EPS (70% weighting) and relative TSR (30% weighting) targets. We set out the targets and outcomes in the table below:

Underlying diluted EPS (70% weighting)					TSR growth[1] vs FTSE Small Cap excl. IT Index (30% weighting)				
Trifast underlying diluted EPS growth	EPS growth required for 25% vesting	EPS growth required for 72% vesting	EPS growth required for 100% vesting	Vesting	Trifast TSR growth	Index growth required for 25% vesting	Index growth + 8% p.a. required for 100% vesting	Vesting	**Overall vesting**
(36.2)% p.a.	16% p.a.	25% p.a.	37% p.a.	nil%	(40.8)%	8.1%	32.1%	nil%	**nil%**

1. TSR growth for Trifast and the FTSE Small Cap Index (excluding investment trusts) was measured using a three-month average prior to the start and the end of the three-year performance period

No FY22 LTIP awards will vest on 3 August 2024 based on the assessment of the performance conditions and there would have been no vesting amount attributable to share price appreciation. The Committee acknowledged that the FY22 LTIP outcome was aligned with Company performance as well as shareholders' experience and hence no discretion was exercised.

The Committee is comfortable that the current policy operated as intended.

(iii) LTIP awards granted in the year ended 31 March 2024

FY24 LTIP awards were granted to Iain Percival and Darren Hayes-Powell on 28 November 2023. Darren Hayes-Powell left his role as CFO on 21 February 2024 and was deemed to be a good leaver. Therefore, his award will be pro-rated for time served during the vesting period, subject to the achievement of performance targets.

The normal vesting date of the FY24 LTIP awards will be the third anniversary of their award date and, once vested, shares will be subject to a two-year holding period. No consideration was paid for the awards, which were structured as a nil-cost option.

The table below sets out further details of the FY24 LTIP awards where vesting will be determined according to the achievement of appropriate performance measures.

	Date of grant	Type of award	Award as % of base salary	Face value of award	Face value of award at threshold vesting	No. of shares[1]	Vesting period
Iain Percival	28 November 2023	Nil-cost option	150%	£600,000	£150,000	814,553	3 years
Darren Hayes-Powell	28 November 2023	Nil-cost option	125%	£375,000	£93,750	509,095	3 years

1. This was calculated using a share price of £0.7366, being the average share price for the five days immediately before 28 November 2023

Directors' remuneration report continued

Annual report on remuneration continued

Executive Director remuneration for the year ended 31 March 2024 continued

(iii) LTIP awards granted in the year ended 31 March 2024 continued

The awards will vest subject to achieving the following targets:

Measure	Performance period	Performance level	Vesting (% of award)[1]
Underlying Operating Margin (UOM) in FY26 (25% weighting)[2]	3 financial years ending from 31 March 2026	Below 8.2%	nil
		8.2% (threshold)	25%
		9.1%	50%
		10.0%	75%
		11.0% (maximum) and above	100%
Relative TSR[3] vs FTSE All Share Index (75% weighting)	3 financial years ending from 31 March 2026	Below index return	nil
		Equal to index return (threshold)	25%
		8.0% p.a. in excess of index return (maximum)	100%

1. Vesting between the various performance levels will be determined on a straight-line basis
2. UOM is defined as underlying operating profit as a percentage of sales
3. TSR growth for Trifast and the FTSE All Share Index will be measured using a three-month average prior to the start and the end of the three-year performance period

The Committee will have overriding discretion to change the formulaic outcome (both downwards and upwards) if it is out of line with the underlying performance of the Company and this will include an assessment of whether any windfall gains have been made.

Directors’ remuneration report continued

Annual report on remuneration continued

Non-Executive Director single figure of remuneration

	Base fee £000	Chairing of Audit, Remuneration or Responsible Business Committee £000	Committee membership £000	Senior Independent Director £000	Total £000
Jonathan Shearman[1]	123	—	—	—	123
Prior year	146	—	—	—	146
Clive Watson	45	8	5	6	64
Prior year	45	8	5	6	64
Claire Balmforth[2]	45	8	5	—	58
Prior year	45	8	5	—	58
Louis Eperjesi[3]	45	8	5	—	58
Prior year	11	—	2	—	13
Serena Lang[4]	87	n/a	n/a	n/a	87
Prior year	n/a	n/a	n/a	n/a	n/a
Laura Whyte[5]	3	—	—	—	3
Prior year	n/a	n/a	n/a	n/a	n/a
Nicholas Mills[6]	n/a	n/a	n/a	n/a	n/a
Prior year	n/a	n/a	n/a	n/a	n/a
Totals	348	24	15	6	393
Prior year totals	247	16	12	6	281

1. Jonathan Shearman’s Chair fee temporarily increased in March 2023 while spending additional time supporting the interim CEO during FY24
2. Claire Balmforth retired on 1 April 2024
3. Louis Eperjesi was appointed to the Board on 3 January 2023
4. Serena Lang was appointed to the Board on 10 August 2023
5. Laura Whyte was appointed to the Board on 11 March 2024
6. Nicholas Mills was appointed to the Board on 20 October 2023 and waived his fee until 1 April 2024

Directors' remuneration report continued

Annual report on remuneration continued

Payments to past Directors

There were no payments to past Directors in FY24. It should be noted that Clare Foster retained a proportion of her FY22 LTIP award upon leaving due to her being deemed a good leaver, but this award lapsed as the performance targets were not achieved. Further details can be found on page 124.

Payment for loss of office

Darren Hayes-Powell left his role as Chief Financial Officer on 21 February 2024. In line with the 2023 Policy regarding loss of office payments, the Remuneration Committee determined that Darren be treated as a good leaver. Therefore, in line with Policy he will receive:

- 12 months of fixed pay in respect of his notice period (£300,000 base salary, pension contribution of £15,000, £23,163 in relation to benefits and a payment of £14,418 for 11 days of accrued holiday entitlement)
- Annual bonus pro-rated for time served during FY24, subject to the achievement of performance targets (as set out above, Darren's FY24 annual bonus was £nil)
- In-flight FY24 LTIP awards pro-rated for time served during the vesting period and vesting on their normal dates subject to the achievement of performance targets
- An additional payment of £5,000 reflective of legal fees

Statement of Directors' shareholdings

	In-employment shareholding requirement[1]	Current beneficial holding[2]	Vested but unexercised options
Executive Directors			
Iain Percival	1,339,405	163,215	n/a
Scott Mac Meekin (as at 19 September 2023)[3]	n/a	n/a	n/a
Darren Hayes-Powell (as at 21 February 2024)[4]	n/a	11,158	n/a
Non-Executive Directors			
Jonathan Shearman (as at 14 September 2023)	n/a	23,571	n/a
Clive Watson	n/a	92,975	n/a
Claire Balmforth (as at 1 April 2024)	n/a	n/a	n/a
Louis Eperjesi	n/a	13,000	n/a
Laura Whyte	n/a	19,500	n/a
Nicholas Mills	n/a	40,000	n/a
Serena Lang	n/a	171,285	n/a

Directors' remuneration report continued

Annual report on remuneration continued

Statement of Directors' shareholdings continued

	LTIP awards subject to performance conditions	SAYE options	Total of all interests on 31 March 2024	Current shares which count toward in-employment shareholding requirements[2]	In-employment shareholding requirement met?[1]
Executive Directors					
Iain Percival	814,553	n/a	977,768	163,215	No
Scott Mac Meekin (as at 19 September 2023)[3]	n/a	n/a	n/a	n/a	n/a
Darren Hayes-Powell (as at 21 February 2024)[4]	42,425	n/a	11,158	n/a	n/a
Non-Executive Directors					
Jonathan Shearman	n/a	n/a	23,571	n/a	n/a
Clive Watson	n/a	n/a	92,975	n/a	n/a
Claire Balmforth	n/a	n/a	n/a	n/a	n/a
Louis Eperjesi	n/a	n/a	13,000	n/a	n/a
Laura Whyte	n/a	n/a	19,500	n/a	n/a
Nicholas Mills	n/a	n/a	40,000	n/a	n/a
Serena Lang	n/a	n/a	171,285	n/a	n/a

1. Under the existing policy, there is a 250% of salary in-employment shareholding requirement for Executive Directors. This is to be built up over five years from 15 September 2023, the date the current remuneration policy was approved by shareholders, or date of joining if later. The number of shares shown is based on the 31 March 2024 share price of £0.746
2. Total of current beneficial holding, SAYE options, and vested but unexercised options on a net-of-tax basis
3. Scott Mac Meekin did not participate in any share-based incentive plan during his term as interim CEO
4. In line with the 2023 Policy, Darren Hayes-Powell is subject to a two-year post-employment shareholding requirement

Between 31 March 2024 and 26 July 2024 there were no further movements in the Directors' shareholdings from those disclosed in the table above.

Directors' remuneration report continued

Annual report on remuneration continued

Service contracts for Executive Directors

The service contract for Iain Percival is not fixed term. The service contract is terminable by either the Company or the Director on the following bases:

	Notice period	Date of signing
Iain Percival[1]	12 months	12 September 2023

The Directors' contracts are kept and can be viewed at the Company's registered office. Executive Directors are subject to annual re-election at the Company's Annual General Meeting.

Non-Executive Directors' letters of appointment

The Non-Executive Directors do not have service contracts but are appointed under letters of appointment. Clive Watson was appointed on 30 July 2020, Louis Eperjesi was appointed on 3 January 2023, Serena Lang was appointed on 10 August 2023, Nicholas Mills was appointed 20 October 2023 and Laura Whyte was appointed on 11 March 2024. All Non-Executive Directors are subject to annual re-election at the Company's AGM.

The table below sets out the date that each Non-Executive Director signed their current letter of appointment and the notice period by which their appointment may be terminated early by either party. For new appointments, the notice period is three months and in line with the existing Non-Executive Directors' arrangements, set out in the 2014 Directors' remuneration policy, this will be extended to 12 months on a change of control. The Directors' letters of appointment are kept and can be viewed at the Company's registered office.

Non-Executive Director	Notice period	Date of signing
Clive Watson[1]	3 months	20 April 2020
Louis Eperjesi[1]	3 months	22 November 2022
Serena Lang[1]	3 months	7 August 2023
Nicholas Mills[1]	3 months	16 October 2023
Laura Whyte	3 months	11 March 2024

1. Although signing appointment letters prior to the appointment, dates that each Director was appointed can be seen in the two tables above

Functioning of Remuneration Committee

The role of the Committee is to ensure that the remuneration arrangements for Executive Directors provide them with the motivation to deliver our strategy and create shareholder value in a sustainable manner. In addition, it is our task to ensure that the remuneration received by the Executive Directors is proportionate to the performance achieved and the returns received by you as shareholders.

The Committee is composed entirely of Non-Executive Directors. Members have no day-to-day involvement in the running of the business. No Executive Director sits on the Committee. The Remuneration Committee is formally constituted with written terms of reference. A copy of the terms of reference is available to shareholders on the website www.trifast.com or by writing to the Company Secretary, whose details are set out on page 232 of this publication.

Alongside numerous conference calls and meetings with advisers, the Committee had six formal meetings during the year. All Committee meetings were fully attended by members in appointment at the time of the meeting. The key activities the Committee undertook during the year can be seen on page 108.

On most occasions, the CEO and CFO were invited to attend to ensure the Committee was in possession of all the relevant facts. The Committee consults with the Company Secretary and Interim Transformation & HR Director regarding remuneration and corporate governance issues. With regard to the Senior Management in the Company (excluding Board Directors), the Committee also takes advice from the Executive Leadership Team.

Directors' remuneration report continued

Annual report on remuneration continued

Functioning of the remuneration Committee

During the year, the Committee received independent advice from PwC in relation to general remuneration matters. PwC was appointed by the Committee and the fees paid by the Company to PwC for all services provided during the financial year were £151,550 (excluding VAT). This included a significant amount of work in relation to the development of the New Policy and operational support for management. The fees were charged on a fixed time and materials basis. The Group also retains PwC regarding taxation services and consulting services in the ordinary course of business. The Committee believes that this does not create a conflict of interest and the advice they receive is independent and objective. PwC is a signatory to the Remuneration Consultants' Code of Conduct which requires its advice to be objective and impartial. PwC does not have any other connections with the Company or its Directors.

Statement of AGM voting

The table below shows the actual voting on the 2023 remuneration report and 2023 remuneration policy at the AGM held on 15 September 2023:

	Votes for	%	Votes against	%	Votes withheld
2023 remuneration report	78,382,028	79.99%	19,605,842	20.01%	238,309
2023 remuneration policy	78,652,403	80.23%	19,380,051	19.77%	193,725

At the Company's 2023 AGM, 79.99% votes were received in favour of Resolution 2, the advisory vote to approve the Directors' remuneration report for the year ended 31 March 2023. In accordance with Provision 4 of the UK Corporate Governance Code, the Company published a statement on 14 December 2023 providing an update on the views received from shareholders and actions taken following the vote. Prior to the statement, our Chair engaged with a number of our largest shareholders to better understand their views on remuneration at Trifast. The key theme that emerged from these discussions was the approach to long-term incentives and there were differing views in relation to the most appropriate long-term incentive arrangement to align the interests of shareholders and executives.

In light of the above feedback, and as set out in this report, the Committee has reviewed the Policy and proposed a new long-term incentive arrangement. The Committee undertook an extensive consultation with the Company's 15 largest shareholders, representing over 70% of the issued share capital and the main shareholder representative bodies (IA, ISS, Glass Lewis) in relation to the New Policy. Please see page 105 in the Committee Chair's statement which sets out the key themes that emerged and the actions taken as a result.

The Committee is grateful for the time that shareholders have taken to consider proposals and provide feedback.

This report was approved by the Board of Directors and signed on its behalf by:

Laura Whyte
Chair of Remuneration Committee

26 July 2024

Directors' remuneration policy

This new Directors' Remuneration Policy ('New Policy') will be put to a binding shareholder vote at the AGM on 10 September 2024 and, if approved, will take effect immediately upon conclusion of the meeting. It is intended that the New Policy will remain in force for three years and there are no planned changes to it over the period to which it applies. The New Policy was developed independently by the Remuneration Committee and is summarised on two pages in the Remuneration Committee Chair's statement.

Background

Our CEO has now been in the role for over nine months and has made significant strides in setting a new strategy and building an executive team to deliver it. The turnaround strategy is built to see Trifast recover from the past years of underperformance, rebuilding growth through a One TR approach to profitability and ultimately establishing a resilient future, delivering innovative and sustainable engineered fastening solutions to our broad range of customers.

In light of the Company's financial underperformance in recent times, which has led to significant changes in strategy to support Trifast's ongoing transformation, and the need to retain key senior management, the Committee felt it appropriate to review the current Policy to ensure that it remains fit for purpose and, in particular, test whether the current Policy provided a remuneration framework which would:

- Stabilise and motivate the executive team to execute the turnaround plan by locking them in for a three-to-five-year period as soon as practicably possible
- Fully align reward outcomes with the shareholder experience as a result of the execution of the turnaround plan

Based on the findings from its review, the Committee determined that some elements of the current Policy remain fit for purpose as they are aligned with standard market practice and support our commitment to aligning reward with performance. However, the LTIP structure of performance shares based on three-year financial measures provides the Committee with a significant challenge in calibrating the targets to ensure that they are appropriately stretching and aligned with investors' interests through a turnaround period, such that this arrangement was not deemed to be appropriate at the current time.

The Committee concluded that a new FY25 LTIP structure is required to both retain and incentivise the executive team to deliver the transformation required for Trifast over the next three to five years. After consideration of a range of alternatives, including a standard Performance Share Plan structure, the Committee determined that the most appropriate approach is to grant a special, one-off award in the form of market priced options with vesting based on hitting specified share price hurdles. In taking this approach it was viewed that:

- The proposal is simple and transparent and will be well understood by all stakeholders
- There is a need to stabilise the executive team to deliver the turnaround plan and this structure aims to achieve that by locking the team in at the start of the plan
- The award is front-loaded such that the executive team is fully aligned from day one, but they are rewarded for performance over the next five years
- A fixed number of market value options combined with share price hurdles provide a definite alignment between payouts to management and the creation of value for shareholders. The approach is robust and flexible enough to deal with macroeconomic uncertainty, particularly given that setting financial-based targets is not required
- Our major shareholders are strong advocates of absolute return based incentives, given Trifast's current position, and of the use of market priced options rather than awarding whole shares to ensure that management are not rewarded for failure

In addition, the Committee determined that, to better align the interests of Executive Directors with those of the shareholders, the current bonus deferral mechanism will be enhanced so that 50% of any bonus paid will be deferred into shares for three years from the current approach whereby any bonus in excess of 100% of salary will be deferred

As set out above, the Committee determined to make the following changes to the Policy.

Directors’ remuneration policy continued

Summary of changes to Policy versus 2023 policy

Element	Changes to 2023 Policy	Rationale
Annual bonus	The current bonus deferral mechanism will be enhanced so that 50% of any bonus paid will be deferred into shares for three years, and will have the ability to provide dividend equivalent on deferred shares	• To better align the interests of Executive Directors with those of the shareholders • To better align with corporate governance best practice and standard market practice
FY25 LTIP	The current LTIP structure of annual awards of nil-cost options vesting based on corporate performance over a three-year period will be replaced by a one-off grant of market priced options where the exercise price is set equal to Trifast’s share price shortly before the date of grant The CEO and each other Executive Director will have a maximum award of market priced options which is equivalent to 2.2% and 1.3% of the issued share capital (ISC) respectively. This will be the only long-term incentive award granted to the Executive Directors over the three-year Policy period The options will vest when share price hurdles have been met during a five-year period beginning on the date of grant (the ‘performance period’) Any options that have met a share price hurdle, although vested, will be subject to a continued employment condition. In addition, a performance underpin will apply to the awards such that the Committee will be required to assess underlying corporate performance ahead of the exercise of any options Options will become exercisable as follows: • Options that vest before the third anniversary of grant: One-third of these vested options will become exercisable on the third, fourth and fifth anniversary of grant • Any further options that vest between the third and fourth anniversary of grant: Half of these vested options will become exercisable on the fourth and fifth anniversary of grant • Any further options that vest between the fourth and fifth anniversary of grant: These vested options will become exercisable on the fifth anniversary of grant A holding period will apply such that the executives cannot sell any shares until the fifth anniversary of grant, albeit they will be able to sell shares to cover any tax falling due on exercise Malus and clawback will continue to apply The Committee will retain overriding discretion to change formulaic outcomes of FY25 LTIP awards (both downwards and upwards) if they are out of line with underlying performance of the Company	This is set out above the table. In addition, the Committee is comfortable with this structure on the basis that: • The continued employment condition, staggered exercise timeline and holding period ensures that for the Executive Directors to benefit, performance must be sustainable such that the FY25 LTIP rewards long-term performance • The proposal aligns with the UK Corporate Governance Code, in that the Executive Team cannot sell any shares, i.e. release any value through exercising their market value options, until the fifth anniversary of grant The Committee is also comfortable with the award levels under this proposal as reaching the maximum share price hurdle of £1.40 on exercise would deliver c.£1m net of tax to the CEO which the Committee feels would be an appropriate payout given Trifast’s size and the increased share value investors would receive (£85.5m increase in market cap) – all figures calculated in March 2024

Directors' remuneration policy continued

1) Policy tables – Executives

Purpose	Operation	Maximum opportunity
Base salary		
To provide competitive salary levels recognising the market value of the role and individual's skills, experience and performance as well as their contribution and enable the recruitment and retention of high-calibre executives	Base salary is set annually on 1 July. Base salary levels are reviewed annually by the Committee, taking account of Company performance, individual performance, and levels of increase for the broader Trifast UK employee population. The Committee will target median salaries within the FTSE Small Cap Index companies The Committee also considers the impact of any base salary increase on the total remuneration package. Increases awarded each year will be set out in the statement of implementation of Policy	The maximum annual salary increase will not normally exceed the average increase which applies across the wider Trifast UK employee population Larger increases may be awarded subject to performance in the following circumstances: I. A material change in the role and responsibilities of the Executive Director II. Strategic progress and key milestones have been achieved; however, an Executive Director's salary remains below the median of the FTSE Small Cap Index III. An Executive Director has been appointed either internally or externally at below the market level to reflect experience
Benefits		
To provide a competitive level of benefits and encourage the wellbeing and engagement of employees	The key benefits provided to the Executive Directors include: • Company car (or car allowance) • Private medical insurance • Critical illness cover and life cover In addition, the Company pays additional benefits when specific business circumstances require it. Accordingly, the Committee would expect to be able to adopt benefits such as relocation expenses, tax equalisation and support in meeting specific costs incurred by Executive Directors to ensure the Company and the individuals comply with their obligations in the reporting of remuneration Where the Company offers a flexible benefits approach (where the value of one benefit may be exchanged for another) to employees, generally an Executive Director would have the option to participate. Other benefits may be offered at the discretion of the Committee The Company reimburses all necessary and reasonable business expenses	Capped at the cost of providing the benefits

Directors' remuneration policy continued

1) Policy tables – Executives continued

Purpose	Operation	Maximum opportunity
Pension		
To provide a standard UK market level of retirement funding to enable the Company to recruit and retain Directors with the experience and expertise to deliver the Group's strategy	Executive Directors participate in defined contribution pension arrangements. Executive Directors may request a pension allowance to be paid in cash, after deducting employer National Insurance costs, in place of defined contribution arrangements	Executive Directors will receive a pension contribution in line with the rate available to the majority of the workforce, i.e. currently 5% of salary
All-employee share plan (SAYE)		
Facilitate equity involvement for executives and UK-based employees	The Trifast plc Save As You Earn Plan 2024 will offer three and five-year savings contracts which provide an option to purchase shares after maturity at a discount to the share price at invitation (the maximum discount is 20%)	Annual savings limit in line with HMRC limit
Annual bonus		
To encourage and reward delivery and execution of short-term financial and non-financial performance in line with shareholder interests	Executive Directors are eligible to participate in the annual bonus. Each year the Committee selects the performance measures, assessed over the financial year, which it considers appropriate to support the Company's strategic priorities and the delivery of value to shareholders. The weighting and targets for each measure will also be set annually by the Committee Targets deemed commercially sensitive by the Board will be reported retrospectively in the following year's remuneration report The Committee will have overriding discretion to change formulaic outcomes (both downwards and upwards) if they are out of line with the underlying performance of the Company. In addition, the Committee has the discretion to adjust targets or performance conditions for any exceptional events that may occur during the year Malus will apply during the bonus year and the share deferral vesting period and clawback will apply for a period of two years post bonus payment and deferred share vesting (see Policy on malus and clawback below). Dividend equivalents may be payable on deferred shares	The maximum annual award level is 150% of base salary, 50% of any annual bonus earned will be paid in cash and 50% will be deferred into shares for a period of three years The percentage of bonus earned for differing levels of performance is: I. Threshold: 25% of maximum opportunity II. Target: 50% of maximum opportunity III. Stretch: 100% of maximum opportunity

Directors' remuneration policy continued

1) Policy tables – Executives continued

Purpose	Operation	Maximum opportunity
FY25 Long-Term Incentive Plan		
To incentivise the delivery of the Group's long-term business strategy and sustainable value for shareholders	The Committee will make a one-off grant of a fixed number of market priced options where the exercise price is set equal to Trifast's share price shortly before the date of grant The options will vest when share price hurdles have been met during a five-year period beginning on the date of grant (the 'performance period') Any options that have met a share price hurdle, although vested, will continue to be subject to a continued employment condition. In addition, a performance underpin will apply to the awards such that the Committee will be required to assess underlying corporate performance ahead of the exercise of any options Options will become exercisable as follows: • Options that vest before the third anniversary of grant: One-third of these vested options will become exercisable on the third, fourth and fifth anniversary of grant • Any further options that vest between the third and fourth anniversary of grant: Half of these vested options will become exercisable on the fourth and fifth anniversary of grant • Any further options that vest between the fourth and fifth anniversary of grant: These vested options will become exercisable on the fifth anniversary of grant A holding period will apply such that the executives cannot sell any shares until the fifth anniversary of grant, albeit they will be able to sell shares to cover any tax falling due on exercise Malus will apply during the period when the awards are not exercisable, and clawback will apply for two years post the awards becoming exercisable (see Policy on malus and clawback below) The Committee will retain overriding discretion to change formulaic outcomes of FY25 LTIP awards (both downwards and upwards) if they are out of line with underlying performance of the Company	The CEO and each other Executive Director will have a maximum award of market priced options which is equivalent to 2.2% and 1.3% of the issued share capital (ISC) respectively. This will be the only long-term incentive award granted to the Executive Directors over the three-year Policy period 100% of the awards are subject to share price hurdles. Threshold vesting of 20% will be achieved for reaching a minimum share price hurdle. Vesting then increases in 20% increments up to maximum vesting for achieving the maximum share price hurdle (please see performance measures and targets section for further details)

Directors' remuneration policy continued

1) Policy tables – Executives continued

Operation	Post-employment requirement
Shareholding requirement	
A 250% of salary in-employment shareholding requirement for all Executive Directors. This is to be built up over five years from the approval of this Policy for existing Executive Directors and from the date of joining for new Executive Directors Shares beneficially owned, the post-tax value of any vested but unexercised LTIP awards and the post-tax value of any annual bonus deferral shares will count towards the requirement The Committee will annually review the progress against achievement of these guidelines	Post-employment, an Executive Director shall continue to hold shares equivalent to the minimum of their actual shareholding on cessation of employment and their in-employment shareholding requirement for a period of two years following termination of employment

Legacy incentive awards

Executive Directors are eligible to receive payments under any award made prior to the approval and implementation of the remuneration Policy set out above under existing incentive arrangements. For the avoidance of doubt, it is noted that the Company will honour any commitments entered that have been disclosed previously to shareholders.

Performance measures and targets

The table below sets out the performance measures chosen in respect of the annual bonus and FY25 LTIP in respect of the financial year ending 31 March 2025.

Performance measures and weightings	Performance targets	Why targets were chosen	How targets are set
Annual bonus			
• 60% based on underlying profit before tax (UPBT) targets • 20% based on average working capital % targets • 20% based on strategic and operational targets based on the execution of the transformation plan and include specific sustainability objectives • No bonus payment can be made unless threshold UPBT performance has been achieved	The Board deems the annual bonus targets to be commercially sensitive. Full details of the FY25 targets and their achievement will be disclosed retrospectively in the FY25 Directors' remuneration report	The performance measures that have been selected, in the Committee's view, most appropriately reflect the Company's strategy to: • Focus on generating strong and sustainable profits for the benefit of shareholders • Focus on operational efficiency • Focus on delivering challenging specific strategic and operational targets which support the transformation	The performance targets are calibrated by the Committee considering the Company's business plan, strategic and operational imperatives, market conditions and external forecasts

Directors’ remuneration policy continued

1) Policy tables – Executives continued

Performance measures and targets continued

FY25 LTIP

Performance measures and weightings

- 100% based on share price hurdles
- Performance underpin

Performance targets

Threshold vesting of 20% will be achieved for reaching a minimum share price hurdle and vesting then increases in 20% increments up to maximum vesting at a share price of £1.40. It should be noted that the Committee will determine the minimum share price hurdle closer to the date of grant, taking account of the share price at that time and the Committee’s desire to provide a timely retentive impact, given the lack of incentive payouts over a number of years for many of the executive team. To provide an illustrative example of the minimum hurdle, if it was set currently with Trifast’s share price being around 75p, the Committee would determine c.80p to be appropriate

Share price (£)	Vesting
To be determined closer to the grant date	20%
TBC	TBC
TBC	TBC
TBC	TBC
£1.40	100%

Once each share price hurdle, averaged over a 30-day period, has been met at any point during the five-year performance period, the awards will have vested but remain subject to continued employment and a performance underpin. The Committee will assess whether the vested options should become exercisable on the third, fourth and fifth anniversaries of grant, taking into account EBIT and the underlying operating margin performance to ensure that any payout is consistent with internal progress through the turnaround period

Why targets were chosen

A fixed number of market value options combined with share price hurdles provide a definite alignment between payouts to management and the creation of value for shareholders. The approach is robust and flexible enough to deal with macroeconomic uncertainty, particularly given that setting financial-based targets is not required

The potential gearing in the FY25 LTIP ensures that the executive team are fully incentivised to continue to drive performance beyond the maximum vesting share price hurdle

The Committee retains the discretion to vary the level of vesting, if it finds that the level of vesting would not accurately represent an individual’s or business’s performance. This could also include factors, but not limited to, such as movements in foreign exchange rates, government initiatives, hyper inflation or business performance out of line with the underlying shareholder experience

How targets are set

The threshold target will be calibrated as set out in the performance target column

Maximum vesting will be achieved if the share price reaches a level which the Board considers to be exceptional performance and would deliver significant returns for shareholders

Directors' remuneration policy continued

1) Policy tables – Executives continued

Differences between Executive Directors' and employees' remuneration

The following differences exist between the Company's policy for the remuneration of Executive Directors as set out in the Policy table above and its approach to the payment of employees generally:

- Executive Directors may opt to receive a cash supplement in lieu of pension (reduced for Employer's NI contribution)
- The majority of the wider workforce participate in a performance-based discretionary bonus. A lower level of maximum annual bonus opportunity applies to employees when compared to the Executive Directors and no employee other than the Executive Directors is required to defer 50% of their bonus into shares
- Executive Directors will participate in the FY25 LTIP and will be joined by the Executive Leadership Team and other key Senior Management. However, all UK employees are eligible to participate in the Company's SAYE scheme
- Only the Executive Directors are subject to shareholding requirements

In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals. They also reflect the greater emphasis placed on performance-related pay for Executive Directors.

2) Policy tables – Non-Executive Directors

Non-Executive Director remuneration is not performance related and is not pensionable. The only other payments made to Non-Executive Directors are mileage allowances at HMRC rates and expenses for items incurred during the fulfilment of their roles. An explanation of the Policy with regard to Non-Executive Directors is set out in the table below:

Objective	Operation	Maximum opportunity
Non-Executive Directors		
To attract and retain individuals with the requisite skills and experience to perform the role	Set annually on 1 July The Company will target median fees within FTSE Small Cap Index companies Non-Executive Directors are paid a base fee and additional fees for Committee membership and chairmanship. An additional fee is also payable to the Senior Independent Director The Chair's fee will be determined by the Committee, whilst the other Non-Executive Director fees will be determined by the Chair and Executive Directors	It is anticipated that increases to Chair and NED fee levels will typically be in line with market levels of fee inflation and the increase awarded to the wider UK workforce Larger increases above this may be awarded in certain circumstances, for example in the event of a material change in the time commitment or responsibilities of the Non-Executive Director Additional fees may be payable in instances where work performed is outside of the scope of the individual's role and responsibilities

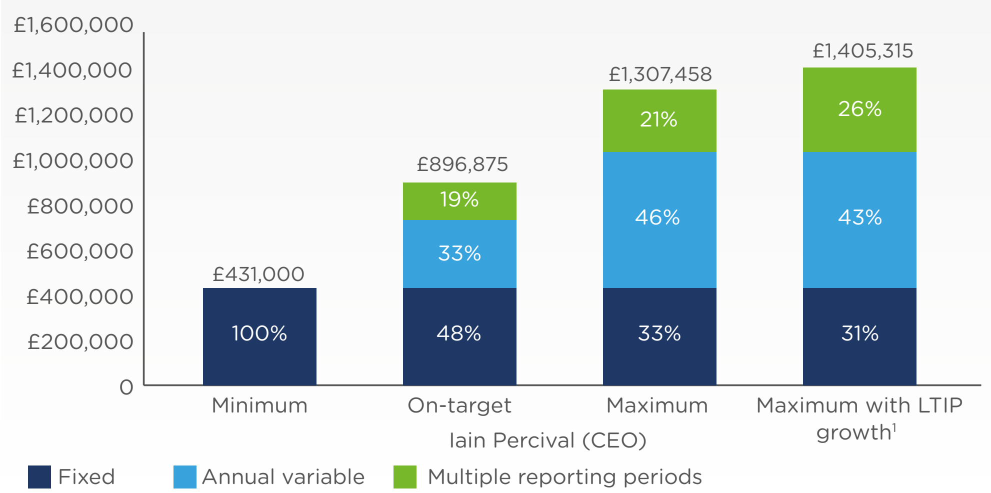
Directors' remuneration policy continued

3) Illustration of remuneration Policy

The following chart provides an illustration of the FY25 reward package for the Chief Executive Officer under four different performance scenarios: 'minimum', 'on-target', 'maximum' and 'maximum with FY25 LTIP share price growth of 50%'. The illustrations are based on the implementation of the proposed Policy for the year ending 31 March 2025.

The assumptions used in determining the remuneration illustrations are set out in the table below the chart.

Performance scenario chart



1. Share price growth of 50% over three years

Scenario	Fixed	Annual variable (annual bonus)	Multiple reporting periods (LTIP)
Minimum	Base salary: As at 1 April 2024 Pension: 5% of base salary Benefits: In line with those paid in year ended 31 March 2024	Nil	Nil
On-target		50% of maximum	60% vesting
Maximum		100% of maximum	100% vesting
Maximum with FY25 LTIP share price growth of 50%		100% of maximum	100% vesting with 50% share price growth

Notes

- In line with the proposed implementation of Policy for FY25, the scenario chart uses a 150% of salary maximum annual bonus opportunity for the CEO and FY25 LTIP awards of 2.2% of ISC for the CEO based on a share price of 75p (share price at time of drafting)
- Given that market value options have nil intrinsic value on grant, we have calculated their 'expected value' using the Black-Scholes model to be c.37% of the face value of the award. For the 'minimum', 'on-target' and 'maximum' scenarios, the vesting assumptions above have been applied to the expected value. For the 'maximum with FY25 LTIP share price growth of 50% scenario', we have not used the expected value, rather we have calculated the payout based on 50% share price growth, an exercise price of 75p and 100% vesting (acknowledging that 50% share price growth would not actually equate to full vesting under the share price hurdles). Finally, given the awards granted in FY25 will be the only ones received by the Executive Directors over the three-year Policy period we have annualised their value by dividing the value of the whole award by 3
- SAYE is not included

Directors’ remuneration policy continued

4) Policy on recruitment arrangements

The Committee’s approach to Executive Director recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role. The remuneration package for any new recruit would be assessed following the same principles as for the current Executive Directors, as set out in the remuneration Policy table.

Remuneration element	Treatment under Policy
Base salary, pension and other benefits	The salary level will be set considering a number of factors including: market practice; the individual’s experience and responsibilities; and other pay structures within Trifast. The salary level set will be consistent with the salary Policy for existing Executive Directors Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases, subsequent increases in salary may be higher than the general rise for UK employees until the target positioning is achieved The Executive Director shall be eligible to receive pension contributions and benefits in line with Trifast’s Policy for current Executive Directors as set out in the Policy table above
Annual bonus and FY25 LTIP	The Executive Director will be eligible to participate in the annual bonus and FY25 LTIP as set out in the Policy table above. The maximum level of annual bonus that may be offered is 150% of base salary consistent with that of existing Executive Directors Whether a new joiner is eligible for an award under the FY25 LTIP will be at the discretion of the Committee. Any award will be no higher than set out in the Policy table above for existing Executive Directors, i.e. 2.2% of ISC for CEO and 1.3% for each other Executive Director. The maximum variable remuneration is therefore 150% of salary (annual bonus) + 2.2% of ISC (FY25 LTIP award)
Share buy-outs and replacement awards	The Committee’s policy is not to provide replacement awards as a matter of course. However, should the Committee determine that the individual circumstances of recruitment justify the provision of a replacement award, the value of any incentives that will be forfeited on cessation of a Director’s previous employment will be calculated taking into account the following: • The proportion of the performance period completed on the date of the Director’s cessation of employment • The performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied • Any other terms and conditions having a material effect on their value (‘lapsed value’) The Committee may then grant a replacement award up to the equivalent value as the lapsed value where possible under the Company’s incentives plans. Where the circumstances are such that this is not possible, a bespoke arrangement may be used including in accordance with Rule 9.4.2(R) of the Listing Rules
Relocation policies	In instances where the new Executive Director is required to relocate or spend significant time away from his/her normal residence, the Company may provide one-off compensation to reflect the cost of relocation for the Executive Director. The level of the relocation package will be assessed on a case-by-case basis but will take into consideration any cost of living differences/housing allowance, disturbance allowances and schooling
Internal promotions	Where an existing employee is promoted to the Board, the Policy would apply from the date of promotion but there would be no retrospective application of the Policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the employee. These would be disclosed to shareholders in the following year’s annual report on remuneration

The Company’s policy when setting fees for the appointment of new Non-Executive Directors is to apply the Policy which applies to current Non-Executive Directors, which is set out on page 138.

Directors' remuneration policy continued

5) Policy on payment for loss of office – cessation of employment and change of control

When determining any loss of office payment for a departing Director, the Committee will always seek to minimise the cost to the Company whilst complying with the contractual terms and seeking to reflect the circumstances in place at the time. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation), or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

When setting notice periods, the Committee has regard for market practice and corporate governance best practice. For new appointments, the notice period for Executive Directors will be set at 12 months.

The following tables show how the Committee would expect to treat Executive Directors on cessation of employment or upon a change of control.

Cessation of employment

Remuneration element	Approach
Circumstances of departure of Executive Directors	A 'good leaver' is a person whose cessation of employment is for one of the following reasons: • Death • Ill-health • Injury or disability • Redundancy • Retirement • Employing company ceasing to be a Group company • Transfer of employment to a company which is not a Group company • Where the person is designated a good leaver at the discretion of the Committee A participant who is not a 'good leaver' is a 'bad leaver'
Base salary, pension and other benefits	Base salary, pension and benefits are paid in lieu of notice. Neither notice nor a payment in lieu of notice will be given in the event of gross misconduct
All-employee share plan (SAYE)	In line with plan rules

Directors' remuneration policy continued

5) Policy on payment for loss of office – cessation of employment and change of control continued
Cessation of employment continued

Remuneration element	Approach
Annual bonus	The treatment under the annual bonus is as follows: **Good leavers** • Unless the Remuneration Committee determines otherwise, any bonus payable in respect of the year of cessation will be pro-rated for time, and performance will be tested at the normal date. The bonus will normally be paid in cash on the normal bonus payment date • Unvested deferred share bonus awards will vest on their original vesting date **Bad leavers** • Bad leavers will forfeit any bonus in respect of the year of cessation and any unvested deferred share awards will lapse **The Remuneration Committee has the following elements of discretion:** • The Committee has discretion to defer 50% of the bonus earned in the year of cessation into shares for three years • To allow the determination and payment of bonus as at the date of cessation. The Remuneration Committee will make this determination depending on the type of good leaver reason resulting in the cessation • To allow unvested deferred shares to vest on the date of cessation. The Remuneration Committee will make this determination depending on the type of good leaver reason resulting in the cessation
FY25 LTIP	The treatment under the FY25 LTIP is as follows: **Good leavers** • Vested awards at the date of cessation will normally become exercisable, subject to meeting the performance underpin, on the original date and will be pro-rated for time served over the period to the date they become exercisable. These awards will be subject to the holding period • Awards which are exercisable will remain subject to the holding period • Unvested awards, i.e. those awards that have not achieved the share price hurdle at the date of cessation will lapse **Bad leavers** • Unvested awards will lapse and any vested awards that are not exercisable, i.e. those that have met a share price hurdle but not completed the continuing employment requirement, at the date of cessation, will also lapse • Options which have already become exercisable, but have not yet been exercised will lapse • Awards that have been exercised at the date of cessation will remain subject to the holding period **The Remuneration Committee has the following elements of discretion:** • To determine whether to pro-rate vested but unexercisable awards for time served from the date of grant to the date of cessation. The normal policy will be strict pro-ration. The Remuneration Committee will make this determination depending on the type of good leaver reason resulting in the cessation • To allow vested awards to become exercisable on cessation, the normal policy will be that no change is made to exercise dates. The Remuneration Committee will make this determination depending on the type of good leaver reason resulting in the cessation

Directors' remuneration policy continued

5) Policy on payment for loss of office – cessation of employment and change of control continued
Cessation of employment continued

Remuneration element	Approach
Buy-out award	Where cessation of employment occurs in relation to an Executive Director who has been granted a buy-out award, the treatment would be in line with the terms of the buy-out award
Other contractual obligations	There are no other contractual provisions other than those set out above that could impact the quantum of the payment

Change of control

Remuneration element	Approach
Annual bonus	• Annual bonus for the year in which a change of control event occurs will be pro-rated for time and performance and paid in cash • At the Remuneration Committee's discretion, it may consider whether to disapply pro-rating for a time • Unvested deferred share awards will vest on change of control • In the event of an internal corporate reorganisation, the Remuneration Committee may decide to replace unvested deferred share awards with equivalent new awards over shares in the acquiring company
FY25 LTIP	• Vested awards, i.e. those that have met a share price hurdle, will become exercisable on a change of control and not be subject to any time pro-rating subject to Committee's assessment of the underpin • Unvested awards will become exercisable on a change of control subject to the extent that any applicable performance target (i.e. the share price hurdle) has been satisfied based on the deal share price and the Committee's underpin assessment at that time. There will be no pro-rating of any awards that vest and become exercisable in this manner • Any unvested awards that do not meet the share price hurdle based on the deal share price will lapse • In the event of an internal corporate reorganisation, the Committee may decide to replace vested and unvested awards which are not yet exercisable with equivalent new awards over shares in the acquiring company
Buy-out award	Where change of control occurs in relation to an Executive Director who has been granted a buy-out award, the treatment would be in line with the terms of any such buy-out award

Directors' remuneration policy continued

6) Policy on malus and clawback

Malus provisions apply to the annual bonus and the FY25 LTIP. Malus is the adjustment of the annual bonus in the year it is earned, unvested deferred bonus shares or unvested or vested FY25 LTIP awards which are not yet exercisable because of the occurrence of one or more circumstances. The adjustment may result in the value being reduced to nil.

Clawback is the recovery of cash payments made or vested deferred shares under the annual bonus or FY25 LTIP awards that are exercisable as a result of the occurrence of one or more circumstances. Clawback may apply to all or part of a participant's payment under the annual bonus or FY25 LTIP awards.

Element	Policy
Annual bonus – cash	• Malus will apply up to the time of payment and clawback will apply for a period of two years post-payment
Annual bonus – deferred shares	• Malus will apply during the vesting period and clawback will apply for a period of two years post-vesting
FY25 LTIP	• Malus will apply during the period when the awards are not exercisable, and clawback will apply for two years post the awards becoming exercisable

The circumstances in which malus and clawback could apply are as follows:

- Discovery of a material misstatement resulting in an adjustment in the audited accounts of the Group or any Group company
- The assessment of any performance condition or condition in respect of an annual bonus or FY25 LTIP award that was based on error, or inaccurate or misleading information
- The discovery that any information used to determine a cash bonus or the number of shares subject to a bonus share deferral or FY25 LTIP award was based on error, or inaccurate or misleading information
- Action or conduct of a participant which, in the reasonable opinion of the Committee, amounts to fraud or gross misconduct
- Actions that result in a material failure of risk management of the Company, a Group company or a business unit of the Group
- The Company or any Group company or business of the Group becomes insolvent or otherwise suffers a corporate failure so that the value of shares is materially reduced, provided that the Board determines following an appropriate review of accountability that the participant should be held responsible (in whole or in part) for that insolvency or corporate failure
- Events or the behaviour of a participant have led to the censure of a Group company by a regulatory authority or have had a significant detrimental impact on the reputation of any Group company provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them

Directors' remuneration policy continued

7) Discretions retained by the Remuneration Committee

The Committee retains discretion, consistent with market practice, in a number of regards to the operation and administration of the annual bonus and FY25 LTIP (the FY25 LTIP being operated in general terms according to the rules to be approved by shareholders).

The areas where discretion is retained includes, but is not limited to, the following:

- The participants
- The timing of an award
- The size of an award
- The determination of vesting and/or payout
- Discretion required when dealing with a change of control or restructuring of the Group
- Determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen
- Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends)

These discretions, which in certain circumstances can be operated in both an upward and downward manner, are consistent with market practice and are necessary for the proper and fair operation of the plans so that they achieve their original purpose.

The Committee has discretion in several areas of policy as set out in this report. In particular, the Committee will have overriding discretion to change formulaic outcomes (both downwards and upwards) if they are out of line with underlying performance of the Company. In addition, the Committee has the discretion to amend the Policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, disproportionate to seek or await shareholder approval.

8) External directorships

The Board allows Executive Directors to accept one appropriate outside commercial Non-Executive Director appointment provided the aggregate commitment is compatible with their duties as Executive Directors. The Executive Director concerned may retain fees paid for these services, which will be subject to approval by the Board before accepting. The Executive Directors currently hold no external directorships.

9) Service contracts for Executive Directors

The service contract for Iain Percival is not fixed term. Contracts are terminable by either the Company or the Director on the following bases:

Executive Director	Notice period	Date of signing current service contract
Iain Percival	12 months	12 September 2023[1]

1. Although signing his appointment letter on 12 September 2023, Iain Percival was appointed as an Executive Director on 20 September 2023

Executive Directors are subject to annual re-election at the Company's AGM. The Directors' contracts are kept at the Company's registered office.

10) Non-Executive Directors letters of appointment

The Company's policy is to appoint Non-Executive Directors to the Board with a breadth of skills and experience that is relevant to its business. Appointments are made by the Board upon the recommendations and advice from the Nomination Committee (read more about the Nomination Committee on pages 88 to 93). The Non-Executive Directors do not have service contracts but are appointed under letters of appointment.

The Non-Executive Directors were appointed for an initial three-year term and their appointment continues subject to annual re-election at the Company's AGM. The table below sets out the date that each Non-Executive Director was first appointed (date of signing first letter of appointment) and the notice period by which their appointment may be terminated early by either party. For new appointments, the notice period is three months and in line with existing Non-Executives' arrangements, set out in the 2014 Directors' remuneration Policy, this will be extended to 12 months on a change of control. The Directors' letters of appointment are kept at the Company's registered office.

Non-Executive Director	Notice period	Date of signing
Clive Watson[1]	3 months	20 April 2020
Louis Eperjesi[1]	3 months	22 November 2022
Serena Lang	3 months	7 August 2023
Nicholas Mills	3 months	16 October 2023
Laura Whyte	3 months	11 March 2024

1. Although signing appointment letters prior to the appointment, Clive Watson was appointed as a Non-Executive Director on 30 July 2020, Louis Eperjesi on 3 January 2023 and Nicholas Mills on 20 October 2023

Directors' remuneration policy continued

11) Consideration of conditions elsewhere in the Group

The remuneration Policy throughout the Company is based on ensuring that we can attract and retain the most suitable people. This principle is consistent with that applied to the development of our remuneration Policy for Executive Directors. Employee views were not specifically sought in determining this Policy and no comparison metrics were used.

As part of our commitment to fairness across the business, and in line with requirements under the Corporate Governance Code, we have set out in the annual report on remuneration information on the pay and conditions of the wider workforce and comparisons with the Executive Directors. We are committed to transparency internally and externally in relation to developments on these important issues and will continue to consider how our disclosures can be enhanced going forward.

Pay structures across the Group

The Committee did not specifically consult with employees when drawing up the Directors' remuneration Policy. However, in making decisions on executive pay, the Committee considers wider workforce remuneration and conditions. We recognise the importance of all of our teams in delivering success and aim to provide a remuneration package for our employees which is aligned to our values and remuneration principles across the Group. Our remuneration for employees is market competitive and operates the same core structure as for Executive Directors, including employee share and variable pay plans, with pension provision for all Directors and employees.

Prior to reviewing the remuneration outcomes, the Committee will consider a report covering key information such as base pay levels and share scheme participation.

Employee engagement

As outlined, the Company and the Board seek to engage with employees utilising a number of communication channels. In the engagement process, remuneration is covered as a specific topic and is a primary focus when the Non-Executive Director's engaged with employees on site. Employees are asked about their own remuneration, overall reward package and how they view other engagement topics such as communication, work life balance and culture. The feedback on remuneration will be reviewed by the Committee to ensure that we have a watching brief on fairness and transparency on the overarching reward strategy.

See page 40 for further information on employee engagement.

12) Statement of shareholder views

At the Company's 2023 AGM, 79.99% votes were received in favour of Resolution 2, the advisory vote to approve the Directors' remuneration report for the year ended 31 March 2023. In accordance with Provision 4 of the UK Corporate Governance Code, the Company published a statement on 14 December 2023 providing an update on the views received from shareholders and actions taken following the vote. Prior to the statement, our Chair engaged with a number of our largest shareholders to better understand their views on remuneration at Trifast. The key theme that emerged from these discussions was the approach to long-term incentives and there were differing views in relation to the most appropriate long-term incentive arrangement to align the interests of shareholders and executives.

In light of the above feedback and as set out in this report, the Committee has reviewed Policy and proposed a new long-term incentive arrangement. Please see the Chair's statement on page 105 for more details.

Directors' report

The Directors present their Annual Report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2024

Results and proposed dividend

Total Group revenue from continuing operations was £233.7m (FY23: £244.4m) and the profit for the year before tax was £1.2m (FY23: loss for the year before tax £(2.7)m). Underlying profit before tax for the Group was £6.5m (FY23: £9.3m); see note 2 for breakdown.

The Directors recommend a final dividend of 1.20p (FY23: 1.50p) per ordinary share to be paid on 11 October 2024 to shareholders registered at the close of business on 13 September 2024. This, together with the interim dividend of 0.60p (paid on 11 April 2024) (FY23: 0.75p), brings the total for the year to 1.80p (FY23: 2.25p). The 2024 proposed final dividend has not been included within creditors as it was not approved before the year end. The 2024 interim dividend is also unrecognised as it was paid post year end.

The strategic report provides a detailed analysis of the results in the year and an indication of future developments.

Annual General Meeting

The Annual General Meeting will be held at 12.30pm on 10 September 2024 at the NDC, Reedswood Park Road, Walsall WS2 8DQ. Further details can be found in the Notice of Meeting.

Director insurance

The Company maintains an appropriate level of Directors' and Officer's insurance in respect of legal action against Directors as permitted under the Company's Articles of Association and the Companies Act 2006.

No insurance cover would be provided in the event that a Director is proven to have acted dishonestly or fraudulently.

Directors and Directors' interests[1]

The Directors' remuneration and their interests in share capital are shown in the remuneration report on pages 127 and 128. All Directors are subject to annual re-election; details can be found in the corporate governance report on page 86. Biographical details can be found on pages 82 and 83.

The Directors who held office during the year were as follows:

Chair

S Lang
Non-Executive Director
Chair of Nomination Committee
Appointed to the Board 10 August 2023 and as Chair 15 September 2023

JPD Shearman
Non-Executive Director
Chair of Nomination Committee
Resigned 14 September 2023

Executive Directors

IP Percival
Chief Executive Officer
Appointed 20 September 2023

SW Mac Meekin
Interim Chief Executive Officer
Appointed 20 February 2023
Resigned 19 September 2023

DM Hayes-Powell
Chief Financial Officer
Left 21 February 2024

Independent Non-Executive Directors

C Watson
Senior Independent Director
Chair of Audit & Risk Committee

LLA Eperjesi
Chair of Responsible Business Committee
Appointed 3 January 2023

L Whyte
Chair of Remuneration Committee
Appointed to the Board 11 March 2024 and as Chair of Remuneration Committee 1 April 2024

C Balmforth
Chair of Remuneration Committee
Retired 31 March 2024

Non-Executive Director

N Mills
Non-Executive Director
Appointed 20 October 2023

1. Although Kate Ferguson attends Board meetings, on the basis that she is not an appointed Board member, her remuneration details are not included in this report

Directors' report continued

Substantial shareholdings

Details of the share structure of the Company are disclosed in note 24.

The Company was aware of the following material interests, representing 3% or more of the issued share capital of the Company.

As at 31 March 2024	No. of shares held	% of shareholding
Harwood Capital LLP	19,645,000	14.43
Slater Investments Ltd	18,045,422	13.26
Schroder Investment Management Ltd	16,014,977	11.77
Huntington Management LLC	10,939,831	8.04
Threadneedle Asset Management Ltd	8,880,889	6.52
Mr. Michael Timms	7,000,000	5.14

As at 1 July 2024	No. of shares held	% of shareholding
Harwood Capital LLP	19,925,000	14.64
Slater Investments Ltd	17,862,456	13.12
Schroder Investment Management Ltd	14,864,992	10.92
Huntington Management LLC	10,939,831	8.04
Threadneedle Asset Management Ltd	8,742,770	6.42
Mr. Michael Timms	7,000,000	5.14

No Director holds >5% shares in the Company.

Employee Benefit Trust (EBT)

The number of Trifast 5p ordinary shares held by the Trifast EBT (as funded by the Group) at 31 March 2024 was 1,373,663 (FY23: 1,896,098) which represented 1.0% of the fully paid up share capital of the Company as at 31 March 2024 (FY23: 1.4%). During the year, 522,435 shares were transferred out to meet employee share obligations (FY23: 298,372) and no further shares were acquired (FY23: nil). These shares are shown in the own shares held reserve within equity on the balance sheet.

Financial instruments

Information in respect of the Group's policies on financial risk management objectives, including policies to manage credit risk, liquidity risk and foreign currency risk, along with the capital structure of the Group, are given in note 26 to the financial statements.

Corporate governance

The corporate governance statement on pages 85 to 87 should be read as forming part of the Directors' report.

Takeover Directive

Where not provided elsewhere in the Directors' report, the following provides the additional information required to be disclosed because of the implementation of the Takeover Directive.

There are no restrictions on the transfer of ordinary shares in the capital of the Company other than certain restrictions which may from time to time be imposed by law (for example, insider trading law). In accordance with the Listing Rules of the Financial Conduct Authority, certain employees are required to seek the approval of the Company to deal in its shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of shares or on voting rights.

No person has any special rights of control over the Company's share capital and all its shares are fully paid.

The rules governing the appointment and replacement of Directors are set out in the corporate governance section of the Directors' report on page 87.

Directors' report continued

Takeover Directive continued

The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

The Company is party to banking agreements that, upon a change of control of the Company, could be terminable by the bank concerned.

Outside of the extension of certain Directors' rolling contract periods and notice periods, there are no agreements between the Company and its Directors or employees which provide for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

The Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' report.

Donations

The Group made no political donations in the year (FY23: £nil). The Group made £6,000 of charitable donations in the year (FY23: £4,000).

Trade associations

We are a member of the British & Irish Association of Fastener Distributors (BIAFD) which supports and represents industrial fastener distributors throughout the UK & the ROI and also of the European Fastener Distribution Association (EFDA) which represents the interests of fastener distributors at European and global level.

Research and development

The Group had a spend of £134,300 on research and development in the year (FY23: £90,400).

Employees

The Group has a policy of offering equal opportunities to employees at all levels in respect of the conditions of work. Throughout the Group it is the Board's intention to provide possible employment opportunities and training for disabled people and to care for employees who become disabled having regard to aptitude and abilities. Our ESG statement can be found on our website www.trifast.com and further details are provided in the strategic report and being a responsible business sections of this Annual Report.

Regular consultation and meetings, formal, virtual or otherwise, are held with all levels of employees to discuss problems and opportunities. Information on matters of concern to employees is presented in the in-house letters and publications.

For more information on employee engagement see page 40.

Energy and carbon reporting

For information on our energy use and carbon emissions see pages 48 and 49.

Subsequent events

The Group disposed of TR Norge AS on 3 April 2024, amended the interest cover covenant for RCF and EDG for the banking facilities on 2 May 2024, KBC Bank NV (KBC) became a lender as an existing lender transferred part of their commitment to KBC and one of the customers filed for an administration, see note 29 for further details. Other than this, there are no material adjusting or non-adjusting events subsequent to the balance sheet date.

Disclosure of information to auditor

Each of 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 all the 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.

By order of the Board

Serena Lang
Chair

26 July 2024

Trifast House
Bellbrook Park
Uckfield
East Sussex TN22 1QW

Company registration number: 01919797

Statement of Directors' responsibilities

in respect of the Annual Report and the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with UK-adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements and have elected to prepare the 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 Group and Company and of the profit or loss for 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 they have been prepared in accordance with UK-adopted international accounting standards, 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 Company will continue in business
- Prepare a Directors' report, a strategic report and Directors' remuneration report which comply with the requirements of the Companies Act 2006

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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and the financial statements, taken as a whole, are fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions.

The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and Company
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face

We consider the Annual Report and the financial statements, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

On behalf of the Board

Iain Percival
Chief Executive Officer

26 July 2024

Independent auditor's report

to the members of Trifast Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Trifast Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2024 which comprise the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated and Company statement of changes in equity, Statements of financial position, Statements of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the board on 3 December 2019 to audit the financial statements for the year ended 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 5 years, covering the years ended 31 March 2020 to 31 March 2024.

We remain 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 public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- We reviewed the Directors' assessment of going concern, their model's computational accuracy and challenged the key assumptions used in the forecasts by benchmarking against historic forecasting accuracy at a subsidiary level. We also considered a management's sensitivity analysis;
- We reviewed and tested forecast compliance with quarterly interest cover and adjusted leverage covenants in place;
- We evaluated to what extent the key inputs would need to deteriorate in order to break the Group's liquidity and then considered the likelihood of this occurring;
- We compared the Directors' forecast against post year end management accounts to assess the accuracy of management's forecasts to date; and
- We reviewed the adequacy of the disclosure on going concern in the Group financial statements.

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

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Independent auditor's report continued

to the members of Trifast Plc

Overview

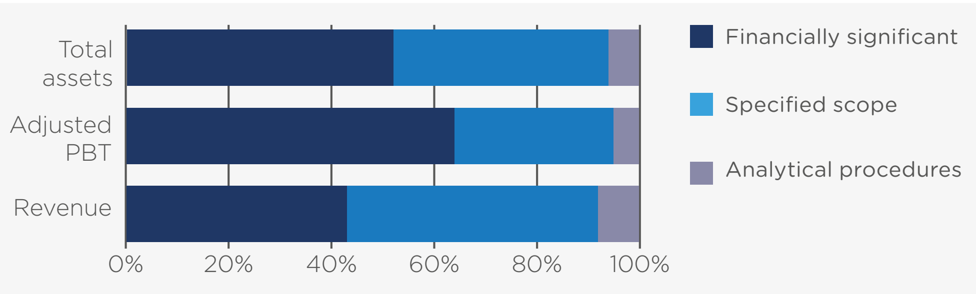
Coverage	95% (2023: 97%) of Group profit before tax 92% (2023: 100%) of Group revenue 94% (2023: 100%) of Group total assets		
Key audit matters		2024	2023
	Recoverability of customer specific inventory	✓	✓
	Goodwill impairment	✓	✓
Materiality	Group financial statements as a whole £1,000k (2023:£970k) based on 0.4% (2023: 0.4%) of group revenue.		

An 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, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group has 25 reporting components, based on our risk assessment we identified 4 (2023: 5) companies including the Parent Company which, in our view, were significant components and required a full scope audit of their complete financial information due to their financial significance. A further 10 (2023: 15) companies were scoped in, either due to their risk characteristics or for coverage.

The remaining 11 (2023: 5) components of the Group were not identified as being significant or material to the Group and the financial information of these components were principally subject to analytical review procedures performed by the Group audit team.



The group engagement team performed procedures over 1 financially significant component (2023: 1 financially significant and 1 specific scope component). BDO LLP component teams performed procedures over 5 (2023: 5) components including 1 (2023: 1) financially significant component, and 4 (2023: 4) specific scope components. The remaining audit procedures were performed by overseas BDO network member firms.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole.

The Group audit team controlled and directed the work of the component audit teams. This included providing detailed audit instructions and setting of component materiality. A planned visit to two UK entities and one Italian entity were completed in person, of which all entities were significant components, other interactions were completed on a remote basis. The Group audit team held video calls in order to attend component team planning and completion meetings together with open dialogue maintained throughout the audit. We also performed reviews of selected working papers on the component audit teams audit files.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit Committee meeting and ESG Committee and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out on page 65 may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in management's going concern assessment and viability assessment.

We also assessed the consistency of managements disclosures included as 'Other Information'/'Statutory Other Information' on page 156 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Independent auditor's report continued

to the members of Trifast Plc

An overview of the scope of our audit continued

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, including 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.

Key audit matter		How the scope of our audit addressed the key audit matter
Recoverability of customer-specific inventory Refer to the Accounting Policies of the Group on pages 168 to 175 for further detail on the policies impacting inventory provision valuation together with Note 30 detailing the estimation uncertainty over provisions for customer specific inventory and Note 18 for the financial disclosure of inventory.	The Group has bespoke customer-specific products for which there is a risk over recoverability if any contractual obligations to acquire outstanding stock are waived for commercial reasons or the customer's product line is discontinued, and component parts are not being carried forward to new product lines. Given the size of the customer-specific inventory balance, and the complexity involved in estimating customers changes in future demand there is a risk that the valuation of the inventory provision is inappropriate. We therefore determined this to be a key audit matter.	We have: • Tested the application of the provision methodology through sample testing the classification of inventory between customer specific or standard inventory, the ageing of inventory and the arithmetical accuracy of application of the methodology as relevant to each component; • Made enquiries of management over the status of any discontinued or delayed products and their assessment of the recoverability of existing parts; • On a sample basis, tested the appropriateness of the provision for a sample of inventory lines by reference to historical sales or other relevant evidence to support the inventory valuation; and • On a sample basis, tested the net realisable value of inventory by agreeing to sales documentation, including post year-end sales documentation where available. **Key observations:** We did not identify any indicators to suggest that the estimates made in determining the customer specific inventory provision were inappropriate.

Independent auditor's report continued

to the members of Trifast Plc

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Impairment Refer to the Accounting Policies of the Group on pages 168 to 175 for further detail on the policies impacting impairment together with Note 30 detailing the estimation uncertainty over impairment and Note 13 for the financial disclosure.	Goodwill and non-current assets are significant balances in the Consolidated Statement of financial position and goodwill is subject to an annual impairment review. The recoverability is dependent on management's identification and allocation of cash generating units, the consideration of indicators of impairment for CGUs which do not have goodwill and estimating both cashflows and appropriate discount rates to apply in the value in use calculation where an impairment review is required. Given the size of the goodwill and non-current asset balances, and the complexity of estimating both cashflows and discount rates where an impairment is required this is considered to be an area of material estimation. Hence there is a risk that the valuation of goodwill and non-current assets are inappropriate. Due to the judgements involved, we consider this to be a key audit matter.	We have: • Assessed management's impairment model for compliance with applicable accounting standards and tested its computational accuracy; • Assessed management's identification and allocation of cash generating units, agreeing the accuracy of the carrying value to the underlying accounting records; • Considered the sensitivity of management's impairment assessment to identify CGU's with a risk of material impairment and where there was no goodwill evaluated management' assessment of indicators of impairment; • Where there is a risk of material impairment, identified and evaluated the appropriateness of key assumptions and obtained supporting evidence where appropriate; • With the assistance of our internal valuation experts, we tested the discount rate assumptions to assess their reasonableness through corroboration to external sources; **Key observations:** We did not identify any matters to suggest that the estimates made by the Directors in the calculation of the impairment were inappropriate.

Independent auditor's report continued
to the members of Trifast Plc

Our application of materiality
We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024	2023	**2024**	2023
Materiality	**£1,000k**	£970k	**£485k**	£150k
Basis for determining materiality	**0.4% of revenue**	0.4% of revenue	**48% (2023: 15%) of Group materiality.**	
Rationale for the benchmark applied	**Considered the most stable performance measure of the group**		**Based on our assessment of the components aggregation risk.**	
Performance materiality	**£650k**	£630k	**£315k**	£97k
Basis for determining performance materiality	**65% of group materiality**		**65% of component materiality**	
Rationale for the percentage applied for performance materiality	Set taking account various factors including: the expected total value of known and likely misstatements, brought forward misstatements, management's attitude towards adjustments, the number of material estimates, and how homogeneous processes are within the group		Set taking account various factors including: the expected total value of known and likely misstatements, brought forward misstatements, management's attitude towards adjustments, the number of material estimates, and how homogeneous processes are within the parent company.	

Component materiality
For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, based on a percentage of between 48% and 90% (2023: 15% and 90%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £485k to £900k (2023: £150k to £875k). In the audit of each component, we further applied performance materiality levels of 65% (2023: 65%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £50k (2023: £50k) with those between £20k – £50k (2023: £19k – £50k) being reported in aggregate. We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Independent auditor's report continued
to the members of Trifast Plc

Other information
The directors are responsible for the other information. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement
The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 87; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 76 and 77.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 97; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 66 to 75; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 98; and • The section describing the work of the audit committee set out on pages 96 to 103.

Other Companies Act 2006 reporting
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Independent auditor's report continued

to the members of Trifast Plc

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations, we considered the significant laws and regulations to be the applicable accounting standards, Companies Act 2006, the UK Listing Rules and certain requirements from the UK and overseas tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health, safety and environmental laws as well as UK Bribery Act.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Involvement of tax specialists in the audit.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Involvement of forensic specialists at the planning stage as part of the risk identification process;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be inventory, revenue recognition and management override of controls.

Independent auditor's report continued

to the members of Trifast Plc

Auditor's responsibilities for the audit of the financial statements continued

Extent to which the audit was capable of detecting irregularities, including fraud continued

Fraud continued

Our procedures in respect of the above included:

- Assessing significant estimates made by management for bias (see key audit matters); and
- Addressing the risk of management override of controls, including testing of journals exhibiting unusual pairings over revenue and inventory, or descriptions to supporting documentation and evaluating whether there was evidence of bias in estimates (i.e. inventory provisions, forecast cashflows used in impairment and going concern assessments) or judgements by the Directors that represented a risk of material misstatement due to fraud. To address the risk of fraud due to revenue recognition through our journals testing, we set expectations of revenue pairings and investigated any that fell outside that expectation. Other testing of fraud due to revenue recognition included the testing of cut-off of revenue and group adjustments to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Fearon (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

26 July 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement

for the year ended 31 March 2024

	Note	**2024 £000**	2023 £000
Continuing operations			
Revenue	3, 35	**233,671**	244,391
Cost of sales		**(174,404)**	(182,462)
Gross profit		**59,267**	61,929
Other operating income	4	**721**	510
Distribution expenses		**(6,633)**	(6,727)
Administrative expenses before separately disclosed items		**(41,321)**	(43,728)
Acquired intangible amortisation	2, 13	**(1,780)**	(1,798)
Project Atlas	2	**(2,079)**	(1,722)
Restructuring and related charges	2	**(1,491)**	(4,235)
Impairment of non-current assets	2, 10. 12, 13	**(1,964)**	(2,926)
Settlement for loss of office	2	**–**	(1,050)
Aborted acquisition costs	2	**–**	(261)
Total administrative expenses		**(48,635)**	(55,720)
Share of loss of joint venture accounted for using the equity method	36	**(90)**	–
Operating profit/(loss)	5, 6, 7	**4,630**	(8)
Financial income	8	**269**	158
Financial expenses	8	**(5,688)**	(2,842)
Net financing costs		**(5,419)**	(2,684)
Loss before taxation	3	**(789)**	(2,692)
Taxation	9	**(3,651)**	(174)
Loss for the year (attributable to equity shareholders of the Parent Company)		**(4,440)**	(2,866)
Loss per share			
Basic	25	**(3.29)p**	(2.12)p
Diluted	25	**(3.29)p**	(2.12)p

The notes on pages 168 to 227 form part of these financial statements.

Consolidated statement of comprehensive income
for the year ended 31 March 2024

	2024 £000	2023 £000
Loss for the year	**(4,440)**	(2,866)
Other comprehensive income/(expense) for the year:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(5,075)**	4,053
Gain/(loss) on a hedge of a net investment taken to equity	**889**	(1,655)
Other comprehensive income/(expense)	**(4,186)**	2,398
Total comprehensive (expense)/income recognised for the year (attributable to the equity shareholders of the Parent Company)	**(8,626)**	(468)

Consolidated statement of changes in equity

for the year ended 31 March 2024

	Share capital £000	Share premium £000	Merger reserve £000	Own shares held £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 31 March 2023	**6,805**	**22,530**	**16,328**	**(3,017)**	**14,682**	**78,561**	**135,889**
Total comprehensive expense for the year:							
Loss for the year	–	–	–	–	–	(4,440)	(4,440)
Other comprehensive expense for the year	–	–	–	–	(4,186)	–	(4,186)
Total comprehensive expense recognised for the year	–	–	–	–	(4,186)	(4,440)	(8,626)
Issue of share capital (note 24)	1	7	–	–	–	–	8
Share-based payment transactions (net of tax) (note 22)	–	–	–	–	–	(67)	(67)
Movement in own shares held (note 24)	–	–	–	823	–	(823)	–
Dividends (note 24)	–	–	–	–	–	(3,026)	(3,026)
Total transactions with owners	1	7	–	823	–	(3,916)	(3,085)
Balance at 31 March 2024	**6,806**	**22,537**	**16,328**	**(2,194)**	**10,496**	**70,205**	**124,178**

Consolidated statement of changes in equity continued

for the year ended 31 March 2023

	Share capital £000	Share premium £000	Merger reserve £000	Own shares held £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 31 March 2022	6,804	22,512	16,328	(3,487)	12,284	84,704	139,145
Total comprehensive income/(expense) for the year:							
Loss for the year	—	—	—	—	—	(2,866)	(2,866)
Other comprehensive income for the year	—	—	—	—	2,398	—	2,398
Total comprehensive income/(expense) recognised for the year	—	—	—	—	2,398	(2,866)	(468)
Issue of share capital (note 24)	1	18	—	—	—	—	19
Share-based payment transactions (net of tax) (note 22)	—	—	—	—	—	5	5
Movement in own shares held (note 24)	—	—	—	470	—	(470)	—
Dividends (note 24)	—	—	—	—	—	(2,812)	(2,812)
Total transactions with owners	1	18	—	470	—	(3,277)	(2,788)
Balance at 31 March 2023	6,805	22,530	16,328	(3,017)	14,682	78,561	135,889

Company statement of changes in equity

for the year ended 31 March 2024

	Share capital £000	Share premium £000	Merger reserve £000	Own shares held £000	Retained earnings £000	Total equity £000
Balance at 31 March 2023	**6,805**	**22,530**	**16,328**	**(3,017)**	**19,264**	**61,910**
Total comprehensive income for the year:						
Profit for the year	**–**	**–**	**–**	**–**	**4,663**	**4,663**
Total comprehensive income recognised for the year	**–**	**–**	**–**	**–**	**4,663**	**4,663**
Issue of share capital (note 24)	**1**	**7**	**–**	**–**	**–**	**8**
Share-based payment transactions (net of tax) (note 22)	**–**	**–**	**–**	**–**	**(80)**	**(80)**
Movement in own shares held (note 24)	**–**	**–**	**–**	**823**	**(823)**	**–**
Dividends (note 24)	**–**	**–**	**–**	**–**	**(3,026)**	**(3,026)**
Total transactions with owners	**1**	**7**	**–**	**823**	**(3,929)**	**(3,098)**
Balance at 31 March 2024	**6,806**	**22,537**	**16,328**	**(2,194)**	**19,998**	**63,475**

Company statement of changes in equity continued

for the year ended 31 March 2023

	Share capital £000	Share premium £000	Merger reserve £000	Own shares held £000	Retained earnings £000	Total equity £000
Balance at 31 March 2022	6,804	22,512	16,328	(3,487)	26,866	69,023
Total comprehensive expense for the year:						
Profit/(loss) for the year	–	–	–	–	(4,325)	(4,325)
Total comprehensive expense/(loss) recognised for the year	–	–	–	–	(4,325)	(4,325)
Issue of share capital (note 24)	1	18	–	–	–	19
Share-based payment transactions (net of tax) (note 22)	–	–	–	–	5	5
Movement in own shares held (note 24)	–	–	–	470	(470)	–
Dividends (note 24)	–	–	–	–	(2,812)	(2,812)
Total transactions with owners	1	18	–	470	(3,277)	(2,788)
Balance at 31 March 2023	6,805	22,530	16,328	(3,017)	19,264	61,910

Statements of financial position

at 31 March 2024

	Note	Group 2024 £000	Group 2023 £000 (restated)	Company 2024 £000	Company 2023 £000
Non-current assets					
Property, plant and equipment	10, 11	**19,070**	19,417	**5**	6
Right-of-use assets	12	**16,450**	14,395	**55**	36
Intangible assets	13, 14	**36,275**	40,451	**6,097**	7,854
Equity investments	15, 36	**159**	–	**42,186**	42,298
Non-current trade and other receivables	19	**–**	–	**61,208**	76,848
Deferred tax assets	16, 17	**4,256**	4,289	**63**	998
Total non-current assets		**76,210**	78,552	**109,614**	128,040
Current assets					
Inventories	18	**73,403**	90,948	**–**	–
Trade and other receivables	19	**59,039**	63,158	**3,623**	3,754
Assets classified as held for sale	10, 11, 29	**623**	2,130	**–**	2,130
Cash and cash equivalents	26	**20,884**	31,798	**910**	640
Total current assets		**153,949**	188,034	**4,533**	6,524
Total assets	3	**230,159**	266,586	**114,147**	134,564
Current liabilities					
Trade and other payables	21	**36,218**	35,507	**1,660**	2,395
Right-of-use liabilities	12, 20, 26	**3,392**	3,498	**11**	21
Other interest-bearing loans and borrowings	20, 26	**–**	–	**6,447**	–
Provisions	23	**2,432**	2,809	**607**	396
Liabilities classified as held for sale	29	**348**	–	**–**	–
Tax payable		**2,167**	2,560	**–**	–
Total current liabilities		**44,557**	44,374	**8,725**	2,812

	Note	Group 2024 £000	Group 2023 £000 (restated)	Company 2024 £000	Company 2023 £000
Non-current liabilities					
Other interest-bearing loans and borrowings	20, 26	**41,848**	69,825	**41,848**	69,825
Right-of-use liabilities	12, 20, 26	**15,031**	12,315	**99**	17
Other payables	21	**892**	1,077	**–**	–
Provisions	23	**1,548**	1,443	**–**	–
Deferred tax liabilities	16, 17	**2,105**	1,663	**–**	–
Total non-current liabilities		**61,424**	86,323	**41,947**	69,842
Total liabilities	3	**105,981**	130,697	**50,672**	72,654
Net assets		**124,178**	135,889	**63,475**	61,910
Equity					
Share capital		**6,806**	6,805	**6,806**	6,805
Share premium		**22,537**	22,530	**22,537**	22,530
Merger reserve		**16,328**	16,328	**16,328**	16,328
Own shares held		**(2,194)**	(3,017)	**(2,194)**	(3,017)
Translation reserves		**10,496**	14,682	**–**	–
Retained earnings		**70,205**	78,561	**19,998**	19,264
Total equity		**124,178**	135,889	**63,475**	61,910

The profit after tax for the Company is £4.6m (FY23: loss after tax £4.3m).

The notes on pages 168 to 227 form part of these financial statements.

These financial statements were approved by the Board of Directors on 26 July 2024 and were signed on its behalf by:

Iain Percival
Director

Statements of cash flows
for the year ended 31 March 2024

		Group		Company	
	Note	**2024 £000**	2023 £000 (restated)	**2024 £000**	2023 £000
Cash flows from operating activities					
(Loss)/profit for the year		**(4,440)**	(2,866)	**4,663**	(4,325)
Adjustments for:					
Depreciation and amortisation	10, 11, 13, 14	**5,616**	5,471	**710**	638
Right-of-use asset depreciation	12	**4,068**	3,640	**26**	23
Unrealised foreign currency loss/(gain)		**(248)**	(50)	**1**	(43)
Financial income	8	**(269)**	(158)	**(1,792)**	(1,268)
Financial expense (excluding right-of-use liabilities)	8	**4,893**	2,412	**4,914**	2,383
Right-of-use liabilities' financial expense	8, 12	**796**	430	**3**	1
Profit on assets classified as held for sale		**(2,014)**	–	**(2,014)**	–
Loss/(profit) on sale of property, plant and equipment, intangibles and investments		**(59)**	149	**–**	9
Dividends received		**–**	–	**(15,657)**	(7,434)
Equity settled share-based payment charge		**(101)**	24	**1**	(398)
Impairment of goodwill and intangible assets	2, 3, 13	**1,476**	2,926	**1,476**	–
Gain on termination of right-of-use liabilities and expense on lease back	2	**(454)**	–	**44**	–
Loans due to subsidiaries written back		**–**	–	**(267)**	–
Investments and loans/debtors due from subsidiaries written off		**–**	–	**175**	–
Impairment of right-of-use assets and property, plant and equipment	2, 10, 11, 12	**1,330**	1,426	**–**	–
Taxation expense/(income)	9	**3,651**	174	**953**	(300)
Operating cash inflow/(outflow) before changes in working capital and provisions		**14,245**	13,578	**(6,764)**	(10,714)
Change in trade and other receivables		**(4)**	392	**1,037**	(536)
Change in inventories		**14,977**	215	**–**	–
Change in trade and other payables		**3,593**	(10,487)	**(450)**	661
Change in provisions		**(900)**	2,792	**214**	396
Cash generated from/(used in) operations		**31,911**	6,490	**(5,963)**	(10,193)
Tax paid		**(3,335)**	(3,529)	**(10)**	–
Net cash generated from/(used in) operating activities		**28,576**	2,961	**(5,973)**	(10,193)

Statements of cash flows continued

for the year ended 31 March 2024

	Note	Group 2024 £000	Group 2023 £000 (restated)	Company 2024 £000	Company 2023 £000
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**91**	27	**—**	—
Proceeds from sale of assets classified as held for sale	10	**4,144**	—	**4,144**	—
Interest received		**265**	138	**804**	366
Investment in joint venture		**(162)**	—	**—**	—
Acquisition of property, plant and equipment and intangibles	10, 11, 13, 14	**(4,573)**	(5,625)	**(429)**	(1,394)
Lending to subsidiary undertakings		**—**	—	**(6,421)**	(9,897)
Repayment by subsidiary undertakings		**—**	—	**20,512**	2,125
Dividends received		**—**	—	**15,115**	7,434
Net cash generated (used in)/from investing activities		**(235)**	(5,460)	**33,725**	(1,366)
Cash flows from financing activities					
Proceeds from the issue of share capital	24	**8**	19	**8**	19
Proceeds from new loan		**—**	16,423	**—**	16,423
Repayment of external loans	33	**(116,500)**	—	**(116,500)**	—
Proceeds from external loans	33	**91,414**	—	**91,414**	—
Proceeds from loans from subsidiaries		**—**	—	**6,447**	—
Repayment of right-of-use liabilities	12	**(3,362)**	(3,792)	**(22)**	(24)
Dividends paid	24	**(3,026)**	(2,812)	**(3,026)**	(2,812)
Interest paid		**(6,702)**	(2,477)	**(5,803)**	(2,011)
Net cash generated (used in)/from financing activities		**(38,168)**	7,361	**(27,482)**	11,595
Net change in cash and cash equivalents		**(9,827)**	4,862	**270**	36
Cash and cash equivalents at 1 April		**31,798**	26,741	**640**	604
Effect of exchange rate fluctuations on cash held		**(1,087)**	195	**—**	—
Cash and cash equivalents at 31 March		**20,884**	31,798	**910**	640

Notes to the financial statements
for the year ended 31 March 2024

1 Material accounting policies

a) Material accounting policies

Trifast plc (the 'Company') is a company incorporated in the United Kingdom. The registered office details are on page 232.

The consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as the 'Group'). The Company financial statements present information about the Company as a separate entity and not about its Group.

Statement of compliance

Both the Company financial statements and the consolidated financial statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards as applicable to companies reporting under those standards.

On publishing the Company financial statements here together with the consolidated financial statements, the Company is taking advantage of the exemption in S408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The material accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated and Company financial statements.

A number of amendments to existing standards are also effective from 1 April 2023 but they do not have a material effect on the Group financial statements.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning on or after 1 January 2024:

- IAS 7 Supplier Finance Arrangements (Amendment – Disclosure of Accounting Policies)
- IAS 16 Sale and Leaseback (Amendment – Recognition of Gains and Losses)
- IAS 1 Classification of Liabilities as Current or Non-Current & Covenants (Amendment – Disclosure of Accounting Policies)

The following standards and amendments are effective for the period beginning on or after 1 January 2025:

- IAS 21 Lack of Exchangeability – Explicit Requirements for Determination of an Exchange Rate
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group is currently assessing the impact of these accounting standards and amendments. The Group does not expect them to have a significant impact on the financial statements.

b) Basis of preparation

The financial statements are prepared in Sterling (which is also the functional currency), rounded to the nearest thousand. They are prepared on the historical cost basis with the exception of certain items which are measured at fair value as disclosed in the accounting policies below.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

Judgements made by management in the application of Adopted IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year is discussed in note 30.

Going concern

A review of the business activity and future prospects of the Group is covered in the accompanying strategic report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are specifically described in the financial review on pages 28 to 35. Detailed information regarding the Group's current facility levels, liquidity, credit, interest and foreign exchange risk is provided in note 26.

Notes to the financial statements continued

for the year ended 31 March 2024

1 Material accounting policies continued

b) Basis of preparation continued

Going concern continued

Current trading and forecasts show that the Group will continue to generate positive EBITDA and generate cash. The banking facilities and covenants (leverage and interest cover) that are in place and amendment obtained subsequent to the year end provide appropriate headroom against forecasts based on the current outlook. There are some headwinds in the global economic environment including the elevated interest rate environment; however, should there be adverse factors beyond expectation including further increases in interest rates, the Directors are confident, given the low levels of leverage within the business and the expectation that this will reduce further, that these would be mitigated. As such, the Directors do not consider there to be material uncertainties relating to events or conditions that may be relevant to the next 12 months from signing of the annual financial statements, which cast doubt on the going concern status. Management has also performed reverse stress testing scenarios to identify the points at which limits for EBITDA and net debt are breached, the key inputs of which have been disclosed on pages 76 and 77. Thus, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and hence they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Climate change

In preparing the consolidated financial statements, management have considered the impact of the climate-related risks and opportunities on the business, including short-term (0–3 years) and medium-term (3–15 years) transitional risks resulting from a shift towards a more sustainable future. Management have considered the potential effects of climate-related changes in its assessment of going concern and viability of the business, future cash flow forecasts underpinning impairment testing, and in its assessment of the residual values of property, plant and equipment. Management have determined that, other than expected impact of CBAM tax on cash flows in Europe and expected capital expenditure while we continue to invest in projects to reduce our carbon footprints, both of which have been factored into the Group's cash flow forecasts, there is no material impact on these financial statements.

c) Basis of consolidation

i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

Non-controlling interests (NCI) are measured at their proportionate share of the investee's identifiable net assets at the date of acquisition.

ii) Transactions eliminated on consolidation

Intra-Group balances, and any unrealised gains and losses or income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

d) Foreign currency

i) Foreign currency transactions

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

ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Sterling at average rates of exchange for the period, where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on retranslation are recognised in a separate component of equity, the translation reserve, through other comprehensive income. They are released into the income statement as part of the gain or loss on disposal.

e) Hedge of net investment in foreign operations

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised in OCI and presented in the translation reserve within equity. The ineffective portion is recognised immediately in the income statement. The effective portion is recycled and recognised in the income statement upon disposal of the operation.

f) Property, plant and equipment

i) Owned assets

Property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy (j)).

Notes to the financial statements continued
for the year ended 31 March 2024

1 Material accounting policies continued
f) Property, plant and equipment continued
ii) Depreciation
Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The depreciation rates are as follows:

Freehold and long leasehold buildings	—	2% per annum on a straight-line basis or the period of the lease
Short leasehold properties	—	period of the lease
Motor vehicles	—	20–25% per annum on a straight-line basis
Plant and machinery	—	10–20% per annum on a straight-line basis
Fixtures, fittings and office equipment	—	10–25% per annum on a straight-line basis

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment. Where relevant, residual values are reassessed annually.

iii) Right-of-use leases
The Group's leases primarily comprise of right-of-use assets regarding land and buildings, motor vehicles and equipment. Short-term leases (<12 months) and leases for which the underlying asset is of a low value (<£4,000) are excluded.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses. The right-of-use asset is subsequently depreciated using the straight-line method from the lease commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments (excluding non-lease components) that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate.

The lease liabilities are subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The liability will be remeasured if there is a change in the future lease payments or if there are changes in the estimated length of the lease.

The lease period is established as the non-cancellable period together with the opportunity to extend the lease if the lessee is reasonably certain to utilise that option, and periods covered by an opportunity to terminate the lease if the lessee is reasonably certain not to utilise that option.

iv) Subsequent costs
The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

g) Intangible assets
i) On business combinations
All business combinations are accounted for by applying the acquisition method. In respect of business combinations that have occurred since 1 April 2004, goodwill represents the difference between the fair value of the consideration transferred and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. For non-equity amounts any subsequent changes to the fair value are recognised in the profit and loss.

Positive goodwill arising on acquisitions is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash generating units and is not amortised but is tested annually for impairment (see accounting policy (j)).

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

Notes to the financial statements continued
for the year ended 31 March 2024

1 Material accounting policies continued
g) Intangible assets continued
ii) Other intangible assets
Expenditure on Project Atlas is capitalised as the system is technically and commercially feasible, and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and the Group can measure reliably the expenditure attributable to the asset during its development. The expenditure capitalised is directly attributable to the design and build of the new system and includes the cost of materials and external consultants as well as an appropriate allocation of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Intangible assets other than goodwill that are acquired by the Group are stated at cost less accumulated amortisation (see below) and impairment losses (see accounting policy (j)).

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

iii) Subsequent expenditure
Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

iv) Amortisation
Amortisation is charged to the consolidated income statement in administrative expenses on a straight-line basis over the estimated useful lives of intangible assets, unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are tested systematically for impairment at each annual balance sheet date. The amortisation rates of other intangible assets per annum are as follows:

Customer relationships	—	6.7% to 12.5%
Technology	—	6.7% to 10%
Order backlog	—	100%
Marketing – related	—	8.3% to 20%
Other	—	20% to 33%

h) Non-derivative financial instruments
i) Investments in subsidiaries
Investments in subsidiaries are held in the Company balance sheet at historic cost net of any impairment (see accounting policy (j)).

ii) Trade and other receivables
Trade and other receivables are recognised initially at the transaction price when they originated, and subsequently at amortised cost less impairment losses (see accounting policy (j)). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iii) Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents only for the purpose of the statements of cash flows.

iv) Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value net of any transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

v) Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequently, they are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Notes to the financial statements continued

for the year ended 31 March 2024

1 Material accounting policies continued

i) Inventories

Inventories are stated at the lower of cost and net realisable value with provision being made for obsolete and slow-moving items. This policy is applied consistently across the Group, however the estimation techniques used by the subsidiaries vary depending on the underlying data available. In determining the cost of raw materials, consumables and goods purchased for resale, a first-in first-out purchase price is used and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. For work in progress and finished goods manufactured by the Group, cost is taken as production cost, which includes an appropriate proportion of attributable overheads based on normal operating capacity.

j) Impairment

The carrying amounts of the Group's assets, other than inventories (see accounting policy (i)), and deferred tax assets (see accounting policy (p)), are reviewed at each balance sheet date to determine whether there is any indication of impairment.

Financial assets measured at amortised cost and contract assets (as defined in IFRS 15) are considered to be credit-impaired if evidence indicates that one or more events has had a negative effect on the estimated future cash flows of that asset.

When determining whether evidence indicates there is a negative effect on estimated future cash flows, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Loss allowances for expected credit losses (ECLs) are recognised when they are expected to arise as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset where appropriate.

The Company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

For goodwill and other intangible assets that have an indefinite useful life, the recoverable amount is estimated at each annual balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated income statement unless the asset is recorded at a revalued amount, in which case it is treated as a revaluation decrease.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

i) Calculation of recoverable amount

The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

ii) Reversals of impairment

An impairment loss in respect of goodwill is not reversed. An impairment loss on any other asset is assessed at each reporting date and is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) Dividends

Dividends to the Company's shareholders are recognised as a liability and deducted from shareholders' equity in the period in which the shareholders' right to receive payment is established.

Notes to the financial statements continued

for the year ended 31 March 2024

1 Material accounting policies continued

l) Employee benefits

i) Defined contribution plans

The Group operates defined contribution pension schemes which include stakeholder pension plans. The assets of these schemes are held separately from those of the Group in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period. The Group pays fixed contributions and will have no legal or constructive obligation to pay further amounts.

ii) Share-based payment transactions

The grant-date fair value of equity settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions and market performance conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of cash settled awards is recognised as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the award. Any changes in the liability are recognised in profit or loss.

Where the Company grants awards over its own shares to the employees of its subsidiaries, it recognises, in its individual financial statements, an amount owed by subsidiary undertakings if the cost will be recharged. If the cost is not recharged, it is recognised as an increase in the cost of investment in its subsidiaries. In both cases, the corresponding balance is recognised in equity or liabilities depending on the method of settlement. The amount recognised is equivalent to the share-based payment charge recognised in its consolidated financial statements.

iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal plan to terminate employment before the normal retirement date.

m) Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

n) Revenue

Revenue from the sale of goods rendered is recognised net of VAT in the consolidated income statement when the performance obligation is satisfied and the customer obtains control which is based on customer agreements. In accordance with normal practice, there is a single performance obligation, which is on dispatch of goods or at the point of customer acceptance where appropriate in accordance with the Incoterms agreed with the customers. The transaction price is determined by the invoice amount with adjustments made for variable consideration (i.e. rebates) where applicable.

Payment terms across the Group vary depending on the geographic location of each operating company. Payment is typically due between 30 and 90 days after the invoice is issued.

Variable consideration relating to volume rebates has been constrained in estimating revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognised when the amount of volume rebates has been determined.

o) Expenses

i) Repayment of right-of-use liabilities

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

ii) Net financing costs

Net financing costs comprise interest payable on borrowings and right-of-use liabilities calculated using the effective interest rate method and interest receivable on funds invested. Interest income is recognised in the consolidated income statement as it accrues, using the effective interest method. Net finance costs also include the amortisation of arrangement fees and related costs.

Notes to the financial statements continued

for the year ended 31 March 2024

1 Material accounting policies continued

p) Taxation

Tax on the profit or loss for the period presented comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable Group company
- Different Group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend. Information as to the calculation of income tax on the profit or loss for the period presented is included in note 9.

q) Operating segment reporting

A segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenditure (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (the Executive Leadership Team) in order to make decisions about allocating resources and to assess its performance, and for which discrete financial information is available.

The Group operates in a number of geographical economic environments. The Company only operates in one business segment, being the manufacture and logistical supply of industrial fasteners and Category 'C' components.

r) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options and deferred equity awards granted to employees.

s) Underlying measure of profits and losses

The Group believes that underlying operating profit and underlying profit before tax provide additional guidance to statutory measures to help understand the underlying performance of the business during the financial period. The term 'underlying' is not defined under Adopted IFRS. It is a measure that is used by management to assess the underlying performance of the business internally and is not intended to be a substitute measure for Adopted IFRS GAAP measures. The Group defines these underlying measures as follows:

Underlying profit before tax is profit before taxation and separately disclosed items (see note 2).

Underlying profit after tax is profit after taxation but before separately disclosed items (see note 2) and is used in the calculation of underlying earnings per share.

Underlying operating and segment results (see note 3) are operating and segment profit before separately disclosed items.

It should be noted that the definitions of underlying items being used in these financial statements are those used by the Group and may not be comparable with the term 'underlying' as defined by other companies within the same sector or elsewhere.

Separately disclosed items are included within the income statement caption to which they relate.

Notes to the financial statements continued

for the year ended 31 March 2024

1 Material accounting policies continued

t) Separately disclosed items (see note 2)

Separately disclosed items are those significant items which in management's judgement should be highlighted by virtue of their size or incidence to enable a full understanding of the Group's financial performance.

IAS 1 permits an entity to present additional information for specific items to enable users to better assess the entity's financial performance. The Directors have considered the requirements of applicable accounting standards, along with additional guidance around Alternative Performance Measures (APMs), and believe it is appropriate to inform users regarding various items and disclose those items which are deemed one-off, material or non-recurring in size or nature, in alignment with the Group's internal management reporting. As such, the Group is disclosing as supplementary information an 'underlying profit before tax' APM which is reconciled to statutory profit in the notes to the financial statements and is consistent with IFRS 8 segmental reporting.

Separate presentation of the 'separate disclosed items' is intended to enhance understanding of the financial performance of the Group in the particular year under review and the extent to which results are influenced by material unusual and/or non-recurring items. The Directors review segmental results under an underlying basis before these 'separately disclosed items' to analyse the performance of operating segments.

The Directors exercise judgement in determining the classification of certain items as 'separately disclosed items' using quantitative and qualitative factors. 'Separately disclosed items' are those significant items which in the Directors judgement should be highlighted by virtue of their size or incidence to enable a full understanding of the Group's financial performance and the specific circumstances which have led to the item arising and if the item is likely to recur.

u) Own shares acquired by Employee Benefit Trust

The Employee Benefit Trust (EBT) provides for the issue of shares to Group employees under share-based payment arrangements. The Company is the sole funder of the EBT, and all shares and assets held by the EBT are held under a trust arrangement for the benefit of Group employees and the Company, and the Company therefore accounts for the EBT as an extension to the Company in the financial statements.

Repurchased shares (classified as own shares acquired) are recognised at the amount of consideration paid, which includes directly attributable costs, as a deduction from equity. They are presented separately in equity as own shares held. When the shares are subsequently sold or used to settle future equity award commitments, the amount received is recognised as an increase in equity.

Notes to the financial statements continued
for the year ended 31 March 2024

2 Underlying profit before tax and separately disclosed items

	Note	2024 £000	2023 £000
Underlying profit before tax		**6,525**	9,300
Separately disclosed items within administrative expenses			
Acquired intangible amortisation	13	**(1,780)**	(1,798)
Project Atlas		**(2,079)**	(1,722)
Restructuring and reorganisation related charges		**(1,491)**	(4,235)
Impairment of non-current assets	13	**(1,964)**	(2,926)
Settlement for loss of office[1]		**–**	(1,050)
Aborted acquisition costs		**–**	(261)
Profit/(loss) before tax		**(789)**	(2,692)

	Note	2024 £000	2023 £000
Underlying EBITDA		**19,848**	19,297
Separately disclosed items within administrative expenses			
Project Atlas		**(2,079)**	(1,722)
Restructuring and reorganisation related charges		**(1,491)**	(4,235)
Impairment of non-current assets	13	**(1,964)**	(2,926)
Settlement for loss of office[1]		**–**	(1,050)
Aborted acquisition costs		**–**	(261)
EBITDA		**14,314**	9,103
Acquired intangible amortisation	13	**(1,780)**	(1,798)
Depreciation and non-acquired amortisation		**(7,904)**	(7,313)
Operating profit/(loss)		**4,630**	(8)

1. The settlement for loss of office costs of £0.5m (FY23: £1.1m) is included within restructuring and reorganisational related charges, see note 2 and note 7

Notes to the financial statements continued

for the year ended 31 March 2023

2 Underlying profit before tax and separately disclosed items continued

Recurring items

Intangible amortisation relating to acquisitions has been separately disclosed so as to present the trading performance of the respective entities with a charge on a comparable basis to other entities in the Group.

Event-driven items

Project Atlas is a multi-year investment into our IT infrastructure and underlying business processes. As a consequence of the work undertaken to date on this project, we have incurred direct costs of £1.1m in FY24 (FY23: £1.7m), largely relating to the project team and the ongoing roll out. We have excluded these costs from our underlying results, to reflect the unusual scale and one-off nature of this multi-year project. The cost has been excluded in order to provide shareholders with a better understanding of our underlying trading performance during this period of investment. This investment will be recorded as a combination of capital expenditure and separately disclosed items, dependent on accounting convention. The financial impact of the work undertaken to date on this project totals direct costs of £1.3m in FY24 (cumulatively £18.7m), of which £0.2m has been recognised (cumulatively £8.2m) as intangible assets on the balance sheet. Out of the £8.2m recognised as intangible assets on the balance sheet cumulatively as at 31 March 2024, £7.3m has been capitalised in relation to the sites which have gone live on the new IT system. Subsequent to the year end, TR Houston IT system went live in April 2024 which completes the current phase of investment in this IT system.

Project Atlas costs also include impairment of intangible assets under development related to a 'customer engagement' software being developed amounting to £0.9m. These costs were incurred primarily in the previous years and the project was shelved as it was apparent that the solution would not be truly global and will result in significant additional cost before the project can benefit the entire group. An alternate 'customer engagement' system is currently being developed-inhouse called 'Connect360' and is scheduled to go live in FY25.

Restructuring and reorganisation charges of £1.5m in the current year primarily comprises of the following:

	2024 £000	2023 £000
National Distribution Centre costs	**2,363**	–
Restructuring and other related charges Q4 FY23 programme	**(901)**	4,235
Profit on sale of assets related to restructuring	**(2,014)**	–
Restructuring and other related charges Q4 FY24 programme	**1,871**	–
Others	**172**	–
Total	**1,491**	4,235

In FY23 restructuring and reorganisation charges of £4.2m were as a result of a strategic review of operations and functions initiated in Q4 FY23 and approved by the Board on 28 March 2023. The charges included costs in respect of a down-sizing of personnel, primarily within the UK, due to the centralisation of multi-site distribution centres into a National Distribution Centre (NDC) in the Midlands and the closure of our UK manufacturing site in Uckfield. These efficiency initiatives resulted in restructuring costs including redundancies. The charges also included impairment of non-current assets due to the closure of certain offices and warehouses within the UK directly related to the restructuring programme initiative and setting up the NDC. The closure of the offices/warehouses and redundancies occurred during the financial year FY24 and the last move related to Manchester site was completed in June FY25.

As a result of the restructuring initiated in Q4 FY23 set up charges relating to the National Distribution Centre amounting to £2.4m were incurred, primarily relating to cost incurred towards the project team, professional fees and other related costs incurred for closure of sites across the UK and setting up the NDC in the Midlands.

Income of £0.9m is the write back of right-of-use liabilities on assignment of the lease that was previously impaired of £0.5m and the remaining relates to release of certain redundancy provisions not required both related to the restructuring programme initiated in Q4 FY23.

Notes to the financial statements continued

for the year ended 31 March 2023

2 Underlying profit before tax and separately disclosed items continued

Event-driven items continued

Profit on sale of assets held for sale of £2.0m relates to the freehold land and building at Bellbrook Park, Uckfield, which was classified as held for sale in FY23 and was disposed of as part of the Q4 FY23 restructuring programme. The sale was completed in October 2024.

Further to our announcement on 22 January 2024, we have provided for restructuring and related charges of £1.9m are a result of a further Group restructuring programme initiated in Q4 FY24 and approved by the Board in March 2024 to further reduce operating cost through a c.10% cutback in our non-operational staff globally. As part of this restructure, we will establish a leaner organisational structure to enable faster decision-making. In parallel, we are undertaking a strategic review of our global footprint and initiated a transformation programme to identify further cost efficiencies which will reset our business for the future. 'Others' in the table above include professional fees incurred towards initiating the transformation programme.

Impairment of non-current assets in FY24 of £1.9m (£0.5m Intangible assets, £1.0m Right-of-use assets and Property, plant & equipment £0.4m) relates to TR Hungary Kft ('TR Hungary') cash generating unit. Impairment of goodwill of £2.9m in FY23 relates to the TR Italy SPA ('TR Italy') cash generating unit. We have excluded these costs from our underlying results both due to their size and incidence. See note 13 for further details.

Settlement for loss of office costs of £1.0m were recognised in the prior year due to the CFO and CEO leaving the Group in FY23. The costs include payment in lieu of notice, compensation for loss of office and loss of contractual benefits. We have excluded these costs from our underlying results both due to their size and incidence. Aborted acquisition costs of £0.3m in FY23 were incurred in the year in relation to a potential target which was aborted in July 2022. They are excluded from underlying results to help provide a better understanding of the trading performance of the Group.

Management removes the event-driven costs and unusual and non-recurring items discussed above to allow the reader of the accounts to understand the underlying trading performance of the Group. Further reconciliations of underlying measures to GAAP measures can be found in note 32. The underlying measures may not be comparable across companies. The exclusion of separately disclosed items may result in underlying measures being materially higher or lower than the statutory measures. In particular, when significant impairments and restructuring charges are excluded, underlying measures will be higher than the statutory measures.

3 Operating segmental analysis

Segment information, as discussed in note 1(q), is presented in the consolidated financial statements in respect of the Group's geographical segments. This reflects the Group's management and internal reporting structure, and the operating basis on which individual operations are reviewed by the Chief Operating Decision Maker (the Executive Leadership Team). Performance is measured based on each segment's underlying operating result as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. This is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the industry.

Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Goodwill and intangible assets acquired on business combinations are included in the region to which they relate.

Geographical operating segments

The Group is comprised of the following main geographical operating segments:

- UK & Ireland
- Europe: includes Norway, Sweden, Hungary, Holland, Italy, Germany and Spain
- North America
- Asia: includes Malaysia, China, Singapore, Taiwan, Thailand and India

Ireland, up until FY23, was reported and reviewed as part of Europe. However, for FY24 it is now reported and reviewed as part of UK & Ireland segment. Hence, for the disclosure in FY24 below, Ireland is reported as part of the UK segment and FY23 numbers are restated to include Ireland within the UK.

Notes to the financial statements continued

for the year ended 31 March 2024

3 Operating segmental analysis continued

Geographical operating segments continued

In presenting information on the basis of geographical operating segments, segment revenue and segment assets are based on the geographical location of our entities across the world and are consolidated into the four distinct geographical regions, which the Executive Leadership Team (the 'ELT') uses to monitor and assess the Group. Interest is reported on a net basis rather than gross as this is how it is presented to the Chief Operating Decision Maker. All material non-current assets are located in the country the relevant Group entity is incorporated in.

March 2024	UK & Ireland £000	Europe £000	North America £000	Asia £000	Common amounts £000	Total £000
Revenue						
Revenue from external customers	73,394	86,403	28,989	44,885	–	233,671
Inter-segment revenue	4,151	1,635	236	7,177	–	13,199
Total revenue	77,545	88,038	29,225	52,062	–	246,870
Underlying operating result	3,383	5,925	1,552	7,996	(6,912)	11,944
Net financing costs	(485)	(1,101)	(1,096)	400	(3,137)	(5,419)
Underlying segment result	2,898	4,824	456	8,396	(10,049)	6,525
Separately disclosed items (see note 2)	(2,336)	(2,552)	(530)	(207)	(1,689)	(7,314)
Profit/(loss) before tax	562	2,272	(74)	8,189	(11,737)	(789)
Specific disclosure items						
Depreciation and amortisation	(2,634)	(3,767)	(825)	(1,723)	(735)	(9,684)
Assets and liabilities						
Non-current asset additions	9,517	1,417	177	713	474	12,299
Non-current assets[1]	24,763	15,352	5,080	20,598	6,161	71,954
Segment assets	73,738	69,610	24,342	55,107	7,362	230,159
Segment liabilities	(21,024)	(17,990)	(3,911)	(11,861)	(51,195)	(105,981)

1. Non-current assets exclude financial instruments and deferred tax

Notes to the financial statements continued

for the year ended 31 March 2024

3 Operating segmental analysis continued

Geographical operating segments continued

March 2023	UK & Ireland £000 (restated)	Europe £000 (restated)	North America £000	Asia £000	Common amounts £000	Total £000 (restated)
Revenue						
Revenue from external customers	80,620	82,599	29,657	51,515	—	244,391
Inter-segment revenue	6,034	3,075	271	8,893	—	18,273
Total revenue	86,654	85,674	29,928	60,408	—	262,664
Underlying operating result	5,507	2,917	1,256	9,473	(7,169)	11,984
Net financing costs	(376)	(634)	(593)	28	(1,109)	(2,684)
Underlying segment result	5,131	2,283	663	9,501	(8,278)	9,300
Separately disclosed items (see note 2)	4,002	4,073	401	88	3,428	(11,992)
Profit/(loss) before tax	1,129	(1,790)	262	9,413	(11,706)	(2,692)
Specific disclosure items						
Depreciation and amortisation	(2,279)	(3,500)	(902)	(1,770)	(660)	(9,111)
Government support income	—	—	—	—	—	—
Assets and liabilities						
Non-current asset additions	1,231	5,702	1,082	2,222	1,412	11,649
Non-current assets[1]	17,880	19,838	5,920	22,725	7,900	74,263
Segment assets	75,713	82,221	27,426	69,475	11,751	266,586
Segment liabilities	(23,657)	(17,659)	(3,612)	(13,608)	(72,161)	(130,697)

1. Non-current assets exclude financial instruments and deferred tax

There were no material differences in North America between the external revenue based on location of the entities and the location of the customers. Of the UK & Ireland external revenue, £7.3m (FY23: £12.0m) was sold into the European market. Of the Asian external revenue, £5.3m (FY23: £5.8m) was sold into the North American market and £4.5m (FY23: £7.6m) was sold into the European market.

Within Europe, TR Italy has revenue of £28.2m (FY23: £27.3m) and non-current assets of £10.0m (FY23: £11.7m).

Within Asia, TR Formac Singapore has revenue of £18.7m (FY23: £20.4m) and non-current assets of £3.9m (FY23: £4.5m).

Revenue is derived solely from the manufacture and logistical supply of industrial fasteners and Category ‘C’ components.

Notes to the financial statements continued
for the year ended 31 March 2024

4 Other operating income

	2024 £000	2023 £000
Rental income received from freehold properties	**16**	16
Other income	**704**	494
	720	510

Other income primarily includes tax credits for manufacturing investments in Industry 4.0 at VIC of £0.4m (FY23: £0.4m).

Included within other income is <£0.1m (FY23: <£0.1m) of R&D tax credits.

5 Expenses and auditor's remuneration

Included in profit for the year are the following:

	Note	2024 £000	2023 £000
Depreciation and non-acquired amortisation	10, 13	**3,836**	3,673
Right-of-use assets depreciation	12	**4,068**	3,640
Amortisation of acquired intangibles	13	**1,780**	1,798
Short-term/low-value lease expense	12	**230**	210
Net foreign exchange loss		**(646)**	273
Project Atlas (including impairment of 'Customer engagement' software)		**2,079**	1,722
Loss/(profit) on disposal of fixed assets		**(59)**	149
Profit on disposal of assets classified as held for sale		**(2,014)**	–

The employee benefit expense recognised in the year is disclosed in note 22.

Auditor's remuneration:

	2024 £000	2023 £000
Audit of these financial statements	**394**	378
Audit of financial statements of subsidiaries pursuant to legislation	**436**	415
Other assurance services	**68**	59
Total	**898**	852

Other assurance services mainly relate to the interim review.

6 Staff numbers and costs

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

	Group		Company	
	Number of employees		Number of employees	
	2024	2023	2024	2023
Office and management	**112**	123	**32**	32
Manufacturing	**325**	357	**–**	–
Sales	**187**	205	**–**	–
Distribution	**608**	667	**–**	–
	1,232	1,352	**32**	32

The aggregate payroll costs of these people were as follows:

	Group		Company	
	£000		£000	
	2024	2023	2024	2023
Wages and salaries (including accrued bonus)	**38,794**	42,534	**3,421**	3,280
Share-based payments	**(102)**	32	**1**	(262)
Social security costs	**4,485**	4,269	**508**	453
Contributions to defined contribution plans (see note 22)	**2,366**	2,457	**178**	185
	45,543	49,292	**4,108**	3,656

The payroll costs above exclude settlement for loss of office costs of £0.5m (FY23: £1.1m), see note 7 and note 2.

Notes to the financial statements continued

for the year ended 31 March 2024

7 Directors' emoluments

	2024 £000	2023 £000
Directors' emoluments	**1,104**	1,010
Compensation for loss of office	**353**	1,006
Company contributions to money purchase pension plans	**13**	13
Pension cash payments	**11**	14
	1,481	2,043

The emoluments of individual Directors are shown in the remuneration report on pages 104 to 130.

The aggregate emoluments of the highest paid Director excluding pensions and excluding compensation for loss of office was £0.29m (FY23: £0.37m), which included no vested LTIP or deferred equity award (FY23: £nil), Company pension contributions of £13,000 (FY23: £4,000) made to a money purchase scheme on his behalf and pension cash payments of £nil (FY23: £0.01m) excluding compensation for loss of office. During the year, no SAYE share options were exercised by the highest paid Director (FY23: nil), no deferred equity shares were exercised by the highest paid Director (FY23: 192,233).

The annual IFRS 2 charges relating to Board LTIP shares was £0.1m (FY23 credit of £0.34m). The highest paid Director's element of this charges was <£0.1m (FY23: credit of £0.3m).

	Number of Directors	
	2024	2023
Retirement benefits are accruing to the following number of Directors under money purchase schemes	**1**	1
The number of Directors who exercised share options was	**–**	–

See pages 104 to 130 of the remuneration report for more details.

Directors' rights to subscribe for shares in the Company are also set out in the remuneration report.

8 Financial income and expense

	2024 £000	2023 £000
Financial income		
Interest income on financial assets	**269**	158
Financial expenses		
Interest payable on bank loans, IFRS 16 right-of-use liabilities	**5,688**	2,842

FY24 includes £0.8m of interest on the right-of-use liabilities in compliance with IFRS 16, see note 12 (FY23: £0.4m).

9 Taxation

Recognised in the income statement	2024 £000	2023 £000
Current UK tax expense:		
Current year	**10**	(25)
Adjustments for prior years	**–**	(66)
	10	(91)
Current foreign tax expense:		
Current year	**2,964**	3,082
Adjustments for prior years	**189**	(123)
	3,153	2,959
Total current tax	**3,163**	2,868
Deferred tax expense (note 16):		
Origination and reversal of temporary differences	**539**	(2,541)
Change in tax rates	**–**	(283)
Adjustments for prior years	**(51)**	130
Deferred tax income	**488**	(2,694)
Tax in income statement	**3,651**	174

Notes to the financial statements continued

for the year ended 31 March 2024

9 Taxation continued

	2024 £000	2023 £000
Deferred tax recognised directly in equity – IFRS 2 share-based tax charge	**(21)**	29
Total tax recognised in equity	**(21)**	29

Reconciliation of effective tax rate (ETR) and tax expense	2024 £000	ETR %	2023 £000	ETR %
(Loss) for the period	**(4,440)**		(2,866)	
Tax from continuing operations	**3,651**		174	
Profit/(loss) before tax	**(789)**		(2,692)	
Tax using the UK corporation tax rate of 25% (FY23: 19%)	**(197)**	**25**	(511)	19
Tax suffered on dividends	**589**	**(74)**	691	(25)
Non-deductible expenses	**960**	**(82)**	182	(6)
Impairment loss	**(37)**	**4**	556	(20)
Non-taxable receipts	**(893)**	**113**	(530)	19
IFRS 2 share option charge	**172**	**(21)**	285	(11)
Deferred tax assets not recognised	**3,341**	**(373)**	11	—
Different tax rates on overseas earnings	**(422)**	**53**	(167)	6
Adjustments in respect of prior years	**138**	**(106)**	(60)	2
Tax rate change	**—**	**—**	(283)	10
Total tax in income statement	**3,651**	**(462)**	174	(6)

Notes to the financial statements continued

for the year ended 31 March 2024

10 Property, plant and equipment – Group

	Land and buildings £000	Leasehold improvements £000	Plant and equipment £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
Balance at 1 April 2022	17,466	1,781	35,865	8,733	857	64,702
Additions	56	86	3,496	409	197	4,244
Assets classified as held for sale	(3,905)	—	—	—	—	(3,905)
Disposals	—	(46)	(133)	(62)	(20)	(261)
Transfers	—	—	(123)	—	—	(123)
Effect of movements in foreign exchange	531	78	1,200	125	30	1,964
Balance at 31 March 2023	14,148	1,899	40,305	9,205	1,064	66,621
Balance at 1 April 2023	14,148	1,899	40,305	9,205	1,064	66,621
Additions	53	2,815	829	348	54	4,099
Assets classified as held for sale	—	—	(45)	(65)	—	(110)
Disposals	—	(182)	(519)	(180)	(27)	(908)
Transfers/reallocations	—	—	(527)	(190)	—	(717)
Effect of movements in foreign exchange	(629)	(54)	(1,608)	(200)	(41)	(2,532)
Balance at 31 March 2024	**13,572**	**4,478**	**38,435**	**8,918**	**1,050**	**66,453**
Depreciation and impairment						
Balance at 1 April 2022	6,416	1,010	29,757	6,530	692	44,405
Depreciation charge for the year	300	217	1,914	564	72	3,067
Assets classified as held for sale	(1,775)	—	—	—	—	(1,775)
Disposals	—	(46)	(116)	(57)	(20)	(239)
Impairment loss	—	—	132	290	—	422
Effect of movements in foreign exchange	208	50	950	95	21	1,324
Balance at 31 March 2023	5,149	1,231	32,637	7,422	765	47,204
Balance at 1 April 2023	5,149	1,231	32,637	7,422	765	47,204
Depreciation charge for the year	214	363	1,896	484	85	3,042
Assets classified as held for sale	—	—	(45)	(65)	—	(110)
Disposals	—	(161)	(473)	(105)	(26)	(765)
Transfers/reallocations	—	22	(514)	(225)	—	(717)
Impairment loss	—	184	105	117	24	430
Effect of movements in foreign exchange	(196)	(28)	(1,330)	(117)	(30)	(1,701)
Balance at 31 March 2024	**5,167**	**1,611**	**32,276**	**7,511**	**818**	**47,383**
Net book value						
At 31 March 2022	11,050	771	6,108	2,203	165	20,297
At 31 March 2023	8,999	668	7,668	1,783	299	19,417
At 31 March 2024	**8,405**	**2,867**	**6,159**	**1,407**	**232**	**19,070**

Notes to the financial statements continued

for the year ended 31 March 2024

10 Property, plant and equipment – Group continued

Included in the net book value of land and buildings is £8.4m (FY23: £8.9m) of freehold land and buildings. Within this figure there is £1.7m (FY23: £1.7m) of buildings that are on long leasehold land.

The Group had commitments for future capital expenditure not provided for in the accounts of £nil (FY23: £0.1m).

The addition in plant and equipment in the year includes Project Atlas additions of £nil (FY23: <£0.1m). A total of £0.4m (FY23: £1.0m) has been capitalised in relation to Project Atlas in the year. The amount capitalised has been recognised in intangible assets, see note 13 (FY23: £0.9m).

Assets held for sale in FY24 includes fully depreciated assets amounting to £0.1m relating to TR Norge AS which subsequent to the year end has been disposed off, hence have been disclosed as assets held for sale. Refer to note 29 for further details.

Impairment in FY24 of £0.5m relates to TR Hungary Kft ('TR Hungary') cash generating unit. See note 13 for further details.

Impairment charges in FY23 in plant and equipment (£0.1m) and in fixtures and fittings (£0.3m) were due to the closure of certain offices and warehouses within the UK directly related to the restructuring programme initiative.

Assets classified as held for sale in FY23 is the freehold land and building of a net book value of £2.1m. In March 2023, the Directors of Trifast plc decided to sell the freehold land and building at Bellbrook Park, Uckfield, directly related to the restructuring programme initiative. The sale was completed in October 2024 for a sale consideration of £4.1m and resulted in a profit on sale of £2.0m which is presented as a separately disclosed item. See note 2 for further details. A part of the freehold land and building was leased back. See note 12 for further details.

11 Property, plant and equipment – Company

	Land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost				
Balance at 1 April 2022	3,905	–	579	4,484
Additions	–	13	–	13
Assets classified as held for sale	(3,905)	–	–	(3,905)
Balance at 31 March 2023	–	13	579	592
Balance at 1 April 2023	–	13	579	592
Additions	–	–	3	3
Balance at 31 March 2024	**–**	**13**	**582**	**595**
Depreciation and impairment				
Balance at 1 April 2022	1,695	–	573	2,268
Depreciation charge for the year	80	9	4	93
Assets classified as held for sale	(1,775)	–	–	(1,775)
Balance at 31 March 2023	–	9	577	586
Balance at 1 April 2023	–	9	577	586
Depreciation charge for the year	–	3	1	4
Balance at 31 March 2024	**–**	**12**	**578**	**590**
Net book value				
At 1 April 2022	2,209	–	7	2,216
At 31 March 2023	–	4	2	6
At 31 March 2024	**–**	**1**	**4**	**5**

For assets classified as held for sale in FY23 see note 10 above.

Notes to the financial statements continued

for the year ended 31 March 2024

12 IFRS 16 – Group

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the lessee's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to access that option
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease
- Initial direct costs incurred
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, which are discounted at the same discount rate that applied on lease commencement. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- In all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease, with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount

The Group sometimes negotiates break clauses in its property leases. On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk.

Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term
- The economic stability of the environment in which the property is located
- Whether the location represents a new area of operations for the Group

At 31 March 2024, the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising break clauses because it was considered reasonably certain that the Group would not exercise any right to break these leases.

Notes to the financial statements continued

for the year ended 31 March 2024

12 IFRS 16 – Group continued

Nature of leasing activities (in the capacity as lessee)

The Group leases several properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates. For some of the Group's property leases the periodic rent is fixed over the lease term.

The Group also leases certain items of plant and equipment and vehicles which comprise only fixed payments over the lease terms.

The percentages in the table below reflect the current proportions of total lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use total assets if there was an uplift of 1% on the balance sheet date to lease payments that are variable.

	Lease contracts (number)	Fixed payments %	Variable payments %	Sensitivity £000
Property leases with periodic uplifts to market rentals or inflation	6	—	5	10
Property leases with fixed payments	33	87	—	—
Leases of equipment and vehicles	98	7	—	—
At 31 March 2024	**137**	**94**	**5**	**10**

	Lease contracts (number)	Fixed payments %	Variable payments %	Sensitivity £000
Property leases with periodic uplifts to market rentals or inflation	8	—	16	25
Property leases with fixed payments	39	75	—	—
Leases of equipment and vehicles	127	9	—	—
At 31 March 2023	174	84	16	25

Right-of-use assets (Group)

	Land and buildings £000	Motor vehicles £000	Equipment £000	Total £000
At 1 April 2022	11,623	1,069	65	12,757
Lease extensions	1,145	—	—	1,145
New leases	3,590	923	7	4,520
Rent review	359	—	—	359
Depreciation	(2,968)	(645)	(27)	(3,640)
Impairment	(911)	(93)	—	(1,004)
Foreign exchange movements	247	11	—	258
At 1 April 2023	**13,085**	**1,265**	**45**	**14,395**
Lease extensions	54	—	—	54
New leases	6,458	585	61	7,104
Rent review	328	—	—	328
Depreciation	(3,418)	(615)	(35)	(4,068)
Disposals	(52)	—	—	(52)
Reclassified to assets held for sale	(44)	(22)	—	(66)
Impairment	(872)	(28)	—	(900)
Foreign exchange movements	(312)	(32)	(1)	(345)
At 31 March 2024	**15,227**	**1,153**	**70**	**16,450**

Right-off-use assets and liabilities of £0.1m each relates to assets and liabilities related to TR Norge AS which has been subsequent to the year end disposed and hence, has been disclosed as held for sale. Also, see note 29 for further details.

Impairment in FY24 of £1.0m relates to TR Hungary Kft ('TR Hungary') cash generating unit. See note 13 for further details. This is offset by impairment reversal of £0.1m in motor vehicles right-of-use assets related to impairment booked in FY23 as it is no longer required as the vehicles are still in use.

Impairment charges of £0.9m in FY23 in land and buildings and £0.1m in motor vehicles right-of-use assets were due to the planned closure of certain offices and early exit of motor vehicle leases prior to the lease exit date related to the restructuring programme initiative. Refer to note 2 for further details.

Notes to the financial statements continued

for the year ended 31 March 2024

12 IFRS 16 – Group continued

Right-of-use liabilities (Group)

	Land and buildings £000	Motor vehicles £000	Equipment £000	Total £000
At 1 April 2022	12,565	1,082	64	13,711
New leases	1,145	—	—	1,145
Rent review	3,218	923	7	4,148
Acquisitions	359	—	—	359
Lease payments	(3,507)	(687)	(28)	(4,222)
Interest	384	45	1	430
Foreign exchange movements	237	4	1	242
At 1 April 2023	**14,401**	**1,367**	**45**	**15,813**
Lease extensions	54	—	—	54
New leases	5,961	585	60	6,606
Rent review	328	—	—	328
Lease payments	(3,450)	(671)	(37)	(4,158)
Interest	722	71	3	796
Disposals	(550)	—	—	(550)
Reclassified to liabilities held for sale	(54)	(22)	—	(76)
Foreign exchange movements	(354)	(35)	(1)	(390)
At 31 March 2024	**17,058**	**1,295**	**70**	**18,423**

	2024 £000	2023 £000
Short-term lease expense	**230**	173
Low-value lease expense	**53**	37
Aggregate undiscounted future commitments for short-term and low-value leases	**39**	123

	Under 1 year £000	**Between 1 and 2 years £000**	**Between 2 and 5 years £000**	**Over 5 years £000**	**Total £000**
At 31 March 2024					
Right-of-use liabilities	**3,392**	**2,490**	**5,411**	**7,130**	**18,423**

	Under 1 year £000	Between 1 and 2 years £000	Between 2 and 5 years £000	Over 5 years £000	Total £000
At 31 March 2023					
Right-of-use liabilities	3,498	3,027	5,669	3,619	15,813

Trifast plc sold a freehold land building in October 2023. Refer to note 10 for further details on the net proceeds and profit from the sale. Part of the freehold land and building was leased back for two years (extendable for another one year). The lease has a rent-free period of two years and thereafter annual rent of £0.1m for the third year. This resulted in a right-of-use asset and liability of <£0.1m.

Notes to the financial statements continued

for the year ended 31 March 2024

13 Intangible assets – Group

	Assets under course of construction £000	Software £000	Goodwill £000	Other £000	Total £000
Cost					
Balance at 1 April 2022	7,172	—	46,617	22,895	76,684
Additions	1,381	—	—	—	1,381
Disposals	(154)	—	—	—	(154)
Transfers	(6,560)	6,560	—	123	123
Effect of movements in foreign exchange	—	—	1,779	735	2,514
Balance at 31 March 2023	1,839	6,560	48,396	23,753	80,548
Balance at 1 April 2023	1,839	6,560	48,396	23,753	80,548
Additions	425	—	—	49	474
Transfers	(663)	663	—	—	—
Effect of movements in foreign exchange	—	—	(942)	(475)	(1,417)
Balance at 31 March 2024	**1,601**	**7,223**	**47,454**	**23,327**	**79,605**
Amortisation and impairment					
Balance at 1 April 2022	—	—	21,859	11,844	33,703
Amortisation for the year	—	545	—	1,859	2,404
Impairment during the year	—	—	2,926	—	2,926
Effect of movements in foreign exchange	—	—	692	372	1,064
Balance at 31 March 2023	—	545	25,477	14,075	40,097
Balance at 1 April 2023	—	545	25,477	14,075	40,097
Amortisation for the year	—	706	—	1,868	2,574
Impairment during the year	935	541	—	—	1,476
Effect of movements in foreign exchange	—	—	(478)	(339)	(817)
Balance at 31 March 2024	**935**	**1,792**	**24,999**	**15,604**	**43,330**
Net book value					
At 31 March 2022	7,172	—	24,758	11,051	42,981
At 31 March 2023	1,839	6,015	22,919	9,678	40,451
At 31 March 2024	**666**	**5,431**	**22,455**	**7,723**	**36,275**

Notes to the financial statements continued

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13 Intangible assets – Group continued

The addition in assets under the course of construction in the year includes Project Atlas additions of £0.2m (FY23: £0.9m). An amount of £0.9m held as assets under course of construction has been impaired in the current year in relation to the 'customer engagement' software under development. See note 2 for further details. Included within other intangibles are customer relationship intangible assets of £6.5m (FY23: £7.9m), know-how of <0.1m (FY23: £0.3m), marketing-related intangibles of £0.8m (FY23: £1.0m) and other of £0.2m (FY23: £0.4m).

Impairment in FY24 of £0.5m of software relates to TR Hungary Kft ('TR Hungary') cash generating unit. See impairment section for further details.

The amortisation charge is recognised in administrative expenses in the income statement. Of the £2.6m charge in the year, £1.8m relates to amortisation on acquired intangibles, £0.7m relates to software capitalised for the Project Atlas sites and £0.1m amortisation related to other intangible assets. Other intangible assets are made up of:

- Customer relationships, technology know-how and technology patents acquired as part of the acquisition of TR Italy SPA. The average remaining amortisation period on these assets is 5.1 years and NBV is £2.1m
- Customer relationships acquired as part of the acquisition of TR Kuhlmann Gmbh. The average remaining amortisation period on these assets is 1.5 years and NBV is £0.6m
- Customer relationships and marketing-related intangibles acquired as part of the acquisition of Precision Technology Supplies Ltd. The average remaining amortisation period on these assets is 8.4 years and NBV is £2.8m
- Customer relationships, marketing-related and contract-based intangibles acquired as part of the acquisition of TR Falcon Fastenings Inc. The average remaining amortisation period on these assets is 8.1 years and NBV is £2.2m

The following cash generating units have carrying amounts of goodwill:

	2024 £000	2023 £000
Special Fasteners Engineering Co. Ltd (Taiwan)	**11,114**	11,511
TR Fastenings AB (Sweden)	**1,063**	1,063
Lancaster Fastener Company Ltd (UK)	**1,245**	1,245
Serco Ryan Ltd (within TR Fastenings Ltd) (UK)	**4,083**	4,083
TR Italy SPA (VIC) (Italy)	**—**	—
TR Kuhlmann GmbH (Germany)	**1,500**	1,540
TR Falcon Fastenings Inc	**1,302**	1,330
Precision Technology Supplies Ltd (UK)	**2,043**	2,043
Other	**105**	104
	22,455	22,919

The changes in goodwill for SFE, Kuhlmann and Falcon relate to foreign exchange gains or losses, as these investments are held in Singaporean Dollars, Euros and US Dollars respectively.

Notes to the financial statements continued

for the year ended 31 March 2024

13 Intangible assets – Group continued

Annual impairment testing

The Group tests goodwill annually for impairment. The recoverable amount of cash generating units is determined from value in use calculations.

Value in use was determined by discounting the future cash flows generated from the continuing use of the unit. In this method, the free cash flows after funding internal needs of the subject company are forecast for a finite period of four years based on actual operating results, budgets and economic market research. Cash flow projections of four years use the Board-approved annual budget for the first year and subsequent years based on management's best estimates based on past performance, budgets and its expectation of market developments. Beyond the finite period, a terminal (residual) value is estimated using an assumed stable cash flow figure.

The values assigned to the key assumptions represent management's assessment of future trends in the fastenings market and are based on both external and internal sources of historical data. Further information on sources of data used can be found in each description of the key assumptions below.

The recoverable amounts of Special Fasteners Engineering Co. Ltd (Taiwan), TR Italy SPA (Italy) and Serco Ryan Ltd (within TR Fastenings Ltd) (UK) have been calculated with reference to the key assumptions shown below:

	SFE		TR Italy		Serco	
	2024	2023	**2024**	2023	**2024**	2023
Long-term revenue growth rate	**2.0%**	2.0%	**2.0%**	2.0%	**2.0%**	2.0%
Discount rate – post-tax	**8.4%**	8.3%	**10.6%**	10.9%	**10.8%**	10.4%
Discount rate – pre-tax	**10.5%**	10.4%	**14.7%**	15.1%	**14.4%**	13.9%
Terminal EBIT margin	**22.1%**	22.0%	**11.5%**	11.8%	**10.0%**	10.3%

Key assumptions are not disclosed for the remaining CGUs as the goodwill is not significant in comparison to the recoverable amount of the respective CGUs. The Group evaluates annually all CGUs for any indicators of impairment or impairment reversal. The Group considers the relationship between its market capitalisation and the net assets value, among other factors, when reviewing the indicators of impairment. As at 31 March 2024, the market capitalisation of the Group was lower than the net assets of the Group of £124.2m, indicating a potential impairment. We have performed value in use calculations for all CGUs with goodwill balances and for those CGUs where indicators of impairment are identified. The Group identified indicators of impairment in its TR Hungary CGU due to decline in the revenue resulting from the Russia/Ukraine war. As a result, the Group performed value in use calculations on the TR Hungary CGU. The key assumptions used were a post-tax discount rate of 14.50%, terminal EBIT margin of 5.5% and long-term revenue growth rate of 3.5%. In addition, the Group identified indicators of impairment in its TR VIC SPA (TR Italy) CGU due to results being behind the budget and as a result, the Group performed value in use calculations on the TR Italy CGU. The key assumptions applied are disclosed in the table above.

Long-term revenue growth rate

Long-term growth rates into perpetuity have been determined as the lower of:

- The nominal GDP rates for the country of operation
- The long-term compound annual growth rate in EBITDA estimated by management

Notes to the financial statements continued

for the year ended 31 March 2024

13 Intangible assets – Group continued

Post-tax risk adjusted discount rate

The discount rate applied to the cash flows of each of the Group's operations is based on the Weighted Average Cost of Capital (WACC) (using post-tax numbers). The cost of equity element uses the risk-free rate for ten-year bonds issued by the government in the respective market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systemic risk of the specific Group operating company.

In making this adjustment, inputs required are the equity market risk premium (that is, the increased return required over and above a risk-free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the specific Group operating company relative to the market as a whole.

In determining the risk adjusted discount rate, management has applied an adjustment for the systemic risk to each of the Group's operations determined using an average of the betas of comparable listed fastener distribution and manufacturing companies and, where available and appropriate, across a specific territory. Management has used an equity market risk premium that takes into consideration studies by independent economists, the average equity market risk premium over the past five years and the market risk premiums typically used by investment banks in evaluating acquisition proposals.

To calculate the pre-tax discount rate we have taken the post-tax discount rate and divided this by one minus the applicable tax rate. We consider this an appropriate approximation of the pre-tax rate as there are no significant timing differences between the tax cash flows and tax charges. The table discloses the discount rate on a post and pre-tax basis. This takes into account certain components such as the various discount rates reflecting different risk premiums and tax rates in the respective regions. Overall, the Board is confident that the discount rate adequately reflects the circumstances in each location and is in accordance with IAS 36.

Terminal EBIT margin

The margins used in the value in use calculations are based on historic performance adjusted for any known or expected changes to occur to existing operations based on management plans. Key adjustments relate to known efficiency gains from increased volumes achieved in the business as well as the transactional foreign exchange impact based on forecast rates.

Impairment

Based on the value in use calculations and impairment analysis performed an impairment loss of £1.9m in relation to the TR Hungary CGU has been recognised in the Consolidated Income statement within Administrative expenses and classified as a 'separately disclosed items'. See note 2 for further details. The impairment loss has been allocated to the following assets:

- Right-of-use assets: £1.0m
- Intangible assets: £0.5m
- Property, plant and equipment: £0.4m

Management believes the outlook of TR Hungary remains positive. Besides TR Hungary CGU, no other impairment noted in FY24. In FY23 an impairment of £2.9m in TR Italy's goodwill arose due to the impact of higher than usual discount rates and changes in estimates of future cash flows.

Sensitivity to changes in assumptions and changes of future cash flows

Management believes that no reasonable possible change in any key assumptions would cause the recoverable amount of cash generating units containing goodwill to fall below its carrying value.

Notes to the financial statements continued

for the year ended 31 March 2024

14 Intangible assets – Company

	Assets under course of construction £000	Software £000	Other £000	Total £000
Cost				
Balance at 1 April 2022	7,027	—	62	7,089
Additions	1,381	—	—	1,381
Disposals	(9)	—	—	(9)
Transfers	(6,560)	6,560	—	—
Balance at 31 March 2023	1,839	6,560	62	8,461
Balance at 1 April 2023	1,839	6,560	62	8,461
Additions	425	—	—	425
Transfers	(663)	663	—	—
Balance at 31 March 2024	**1,601**	**7,223**	**62**	**8,886**
Amortisation and impairment				
Balance at 1 April 2022	—	—	62	62
Amortisation for the year	—	545	—	545
Balance at 31 March 2023	**—**	**545**	**62**	**607**
Balance at 1 April 2023	—	545	62	607
Amortisation for the year	—	706	—	706
Impairment	935	541	—	1,476
Balance at 31 March 2024	**935**	**1,792**	**62**	**2,789**
Net book value				
At 1 April 2022	7,027	—	—	7,027
At 31 March 2023	1,839	6,015	—	7,854
At 31 March 2024	**666**	**5,431**	**—**	**6,097**

The addition in assets under the course of construction in the year includes Project Atlas additions of £0.2m (FY23: £0.9m).

Notes to the financial statements continued

for the year ended 31 March 2024

15 Equity investments – Company

Investments in subsidiaries

	Total £000
Cost	
Balance at 1 April 2022 and 1 April 2023	43,443
Disposals	–
Investments written off	(112)
Balance at 31 March 2024	**43,331**
Provision	
Balance at 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	**1,145**
Net book value	
Balance at 1 April 2023	42,298
Balance at 31 March 2024	**42,186**

Details of principal subsidiary undertakings, country of registration and principal activity are included in note 31.

All subsidiaries have a reporting date concurrent with Trifast plc, except TR Formac (Shanghai) Pte Ltd which has a reporting date of 31 December due to local regulatory requirements.

Following the acquisition of Serco Ryan Ltd in September 2005, the trade and assets of Serco Ryan were transferred to fellow subsidiary TR Fastenings Ltd at book value. This resulted in an apparent overvaluation of the Serco Ryan Ltd investment as held in the Company's books, although there was no overall loss to the Group. Schedule 1 of SI 2008/410 of the Companies Act 2006 requires that, where such overvaluation is expected to be permanent, the investment should be written down accordingly. The Directors consider that as the substance of the transaction was merely to reorganise the Group's operations, such a treatment would fail to give a true and fair view. Therefore, the diminution in value of the investment in Serco Ryan Ltd has instead been re-allocated to the Company's investment in Trifast Overseas Holdings Ltd, being the immediate Parent Company of TR Fastenings Limited and directly owned by the Company.

During FY24 the following dormant company investments were written off; Fastener Techniques Ltd £0.08m, Rollthread International Limited £<0.1m, Fastech (Scotland) Ltd £<0.1m, Charles Stringer's Sons & Co. Limited £<0.1m, Micro Screws & Tools Ltd £<0.1m.

Notes to the financial statements continued
for the year ended 31 March 2024

16 Deferred tax assets and liabilities – Group
Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 £000	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Property, plant and equipment	**–**	–	**1,794**	1,840	**1,794**	1,840
IFRS 16 Leases	**(188)**	(215)	**–**	–	**(188)**	(215)
Intangible assets	**(171)**	(153)	**1,306**	1,398	**1,135**	1,245
Provision on inventories	**(865)**	(918)	**–**	–	**(865)**	(918)
Provisions/accruals	**(2,518)**	(1,847)	**1,137**	974	**(1,381)**	(873)
IFRS 2 Share-based Payments	**(197)**	(348)	**–**	–	**(197)**	(348)
Tax losses	**(2,446)**	(3,357)	**–**	–	**(2,446)**	(3,357)
Tax (assets)/liabilities	**(6,385)**	(6,838)	**4,237**	4,212	**(2,148)**	(2,626)
Reclassified to assets held for sale	**(3)**	–	**–**	–	**(3)**	–
Tax set-off	**2,132**	2,549	**(2,132)**	(2,549)	**–**	–
Net tax (assets)/liabilities	**(4,256)**	(4,289)	**2,105**	1,663	**(2,151)**	(2,626)

A potential £4.7m (FY23: £3.0m) deferred tax asset relating to the Company's trapped management losses was not recognised on the grounds that recovery of these losses is highly unlikely.

A potential £2.4m (FY23: £2.3m) deferred tax liability relating to the temporary differences amounting to £34.1m (FY23: £33.8m) associated with undistributed profits in subsidiaries has not been recognised. This is on the grounds that we are able to control the timing of these reversals and it is not considered probable that these amounts will reverse in the foreseeable future.

Movement in deferred tax during the year

	1 April 2023 £000	Recognised in income £000	Recognised in equity[1] £000	**31 March 2024 £000**
Property, plant and equipment	1,840	24	(70)	**1,794**
IFRS 16 Leases	(215)	22	5	**(188)**
Intangible assets	1,245	(93)	(17)	**1,135**
Provision on inventories	(918)	34	19	**(865)**
Provisions/accruals	(873)	(522)	14	**(1,381)**
IFRS 2 Share-based Payments	(348)	172	(21)	**(197)**
Tax losses	(3,357)	854	57	**(2,446)**
Reclassified to assets held for sale	–	(3)	–	**(3)**
	(2,626)	488	(13)	**(2,151)**

1. Amounts recognised in equity include the deferred tax on IFRS 2 Share-based Payments of (£21,000) (FY23: £29,000) and the equity element of foreign exchange differences taken to reserves

Notes to the financial statements continued
for the year ended 31 March 2024

16 Deferred tax assets and liabilities – Group continued
Movement in deferred tax during the prior year

	1 April 2022 £000	Recognised in income £000	Recognised on acquisition £000	Recognised in equity[1] £000	31 March 2023 £000
Property, plant and equipment	1,819	(24)	—	45	1,840
IFRS 16 Leases	(211)	22	—	(26)	(215)
Intangible assets	1,487	(274)	—	32	1,245
Provision on inventories	(979)	86	—	(25)	(918)
Provisions/accruals	(71)	(786)	—	(16)	(873)
IFRS 2 Share-based Payments	(748)	371	—	29	(348)
Tax losses	(1,223)	(2,089)	—	(45)	(3,357)
	74	(2,694)	—	(6)	(2,626)

1. Amounts recognised in equity include the deferred tax on IFRS 2 Share-based Payments of £(21,000) (FY23: £29,000) and the equity element of foreign exchange differences taken to reserves

17 Deferred tax assets and liabilities – Company
Recognised deferred tax assets and liabilities
Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 £000	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Property, plant and equipment	**—**	—	**51**	141	**51**	141
Provisions/accruals	**(42)**	(16)	**—**	—	**(42)**	(16)
IFRS 2 Share-based Payments	**(72)**	(136)	**—**	—	**(72)**	(136)
Tax losses	**—**	(987)	**—**	—	**—**	(987)
Tax (assets)/liabilities	**(114)**	(1,139)	**51**	141	**(63)**	(998)
Tax set-off	**51**	141	**(51)**	(141)	**—**	—
Net tax assets	**(63)**	(998)	**—**	—	**(63)**	(998)

A potential £4.7m (FY23: £3.0m) deferred tax asset relating to the Company's trapped management losses was not recognised on the grounds that recovery of these losses is highly unlikely.

Notes to the financial statements continued

for the year ended 31 March 2024

17 Deferred tax assets and liabilities – Company continued

Movement in deferred tax during the year

	1 April 2023 £000	Recognised in income £000	Recognised in equity £000	**31 March 2024 £000**
Property, plant and equipment	141	(90)	—	**51**
Provisions/accruals	(16)	(26)	—	**(42)**
IFRS 2 Share-based Payments	(136)	72	(8)	**(72)**
Tax losses	(987)	987	—	**—**
	(998)	943	(8)	**(63)**

Movement in deferred tax during the prior year

	1 April 2022 £000	Recognised in income £000	Recognised in equity £000	31 March 2023 £000
Property, plant and equipment	153	(12)	—	141
Provisions/accruals	(3)	(13)	—	(16)
IFRS 2 Share-based Payments	(426)	264	26	(136)
Tax losses	(448)	(539)	—	(987)
	(724)	(300)	26	(998)

18 Inventories – Group

	2024 £000	2023 £000
Raw materials and consumables	**4,449**	5,646
Work in progress	**2,374**	2,301
Finished goods and goods for resale	**66,580**	83,001
	73,403	90,948

In FY24, inventories of £149.7m (FY23: £177.3m) were recognised as an expense during the year and included in cost of sales. Inventories have been written down by an additional £2.4m (net) in the year (FY23: £2.1m) in line with the Group's stock provisioning policy. Such write-downs were recognised as an expense during FY24. No significant specific stock provisions have been reversed in the year.

Inventories in the UK amounting to £25.7m (FY23: £29.2m) are pledged as security for the Group borrowings.

Within the £73.4m (FY23: £90.9m) carrying amount of inventories above, £1.6m (FY23: £1.9m) is carried at net realisable value.

Notes to the financial statements continued

for the year ended 31 March 2024

19 Trade and other receivables

Current

	Group		Company	
	2024 £000	2023 £000 (restated)	**2024 £000**	2023 £000
Trade receivables	**53,690**	56,012	**–**	–
Non-trade receivables and prepayments[1]	**5,349**	7,146	**160**	63
Amounts owed by subsidiary undertakings	**–**	–	**3,463**	3,691
	59,039	63,158	**3,623**	3,754

1. During the year, management identified that deferred income related to certain industry incentive schemes in the previous year had been incorrectly netted off against the amounts due from tax authorities within other receivables. The Group statement of financial position at 31 March 2023 has been restated to increase other receivables by £1.3m, increase other payables less than one year by £0.2m and increase other payables greater than one year by £1.1m. In respect of the cash flow statement, the change in trade and other receivables decreased by £1.3m and trade and other payables increased by £1.3m respectively, with no resulting impact on the net cash generated from operating activities. This adjustment does not have any impact on the Group net assets or the consolidated income statement. The impact on 31 March 2022 is not material

All contracts with customers do not contain a significant financing component. Expected credit losses for the Group were calculated by first grouping trade receivables by entity and looking at historic credit loss rates over five years. This was then overlaid with considerations for overdue debt, forward-looking information and any customer-specific risks. See note 26 for further details.

Expected credit losses for the Company were assessed at year end and there had not been a significant increase in credit risk.

Non-trade receivables and prepayments primarily consist of prepaid expenses, amount due from tax authorities in relation to certain industry inventive schemes and advances to suppliers. The management have assessed the credit risk associated with these receivables and concluded that there is no significant expected credit loss as of the reporting date. The conclusion is based on the consideration that historical data indicates that there have been no defaults or significantly delays in payments from these counterparties. In addition, no adverse changes in economic conditions or business operations of the counter parties are anticipated that would impact their ability to settle the receivables.

Non-current

	Group		Company	
	2024 £000	2023 £000 (restated)	**2024 £000**	2023 £000 (restated)
Amounts owed by subsidiary undertakings	**–**	–	**61,208**	76,848

The decrease in amounts owed by subsidiary undertakings is primarily due to subsidiaries being able to repay the loans to the Company, driven by better working capital management across the Group. Interest rates are charged on an arm's length basis and are linked to movements in the SONIA, EURIBOR and FED RFR rate and 'leverage margin' charged on our external borrowings. During the period, rates ranged from 6.15% to 9.32%. The loans are structured as Revolving Credit Facilities and can be repaid by the borrower at any time during the term of the facility, but ultimately 60 months after commencement (March 2027).

Notes to the financial statements continued

for the year ended 31 March 2024

20 Other interest-bearing loans and borrowings

This note provides information about the Group and Company's existing interest-bearing loans and borrowings as at 31 March 2024.

For more information about the security provided by the Group and Company over loans or the Group and Company's exposure to interest rate, foreign currency and liquidity risk, and covenants, see note 26.

			Current		Non-current	
Initial loan value	Rate	Maturity	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Group (excluding Company)						
Right-of-use liabilities	Various	2024–2050	**3,381**	3,477	**14,932**	12,298
Company						
Revolving Credit Facility[1]	SONIA/SOFR/ EURIBOR + 2.10% to 3.60%[2]	2026	**–**	–	**22,680**	69,825
Export Development Guarantee Facility[1]	SONIA/SOFR/ EURIBOR + 2.10%	2026	**–**	–	**20,582**	–
Prepaid arrangement fees[3]			**–**	–	**(1,414)**	–
Loans from subsidiaries	SONIA/SOFR/ EURIBOR + 2.10% to 3.60%	2025	**6,447**	–	**–**	–
Right-of-use liabilities	Various	2024–2026	**11**	21	**99**	17
Total Group (excluding loans from subsidiaries)			**3,392**	3,498	**56,879**	82,140
Total Company (including loans from subsidiaries)			**6,458**	21	**41,947**	69,842

1. Also, see note 26b(i) for further details about the facilities. Subsequent to the year end, covenant amendments have been signed. See note 29 for further details
2. Subject to leverage ratchet mechanism from <1.0x to >2.5x, current interest margin of 2.30% (based on 1.29x leverage)
3. Prepaid arrangement fees includes unamortised balance as at 31 March 2024 of the upfront fees costs paid during the year on signing two new banking arrangements with a combined facility limit of £120m. See note 26 for further details. The upfront fees is amortised over the period of the respective loan facilities

Notes to the financial statements continued

for the year ended 31 March 2024

21 Trade and other payables

Current

	Group		Company	
	2024 £000	2023 £000 (restated)	**2024 £000**	2023 £000
Trade payables	**21,181**	18,281	**–**	–
Amounts payable to subsidiary undertakings	**–**	–	**–**	267
Other payables and accrued expenses	**12,971**	13,790	**1,501**	1,627
Other taxes and social security	**2,066**	3,436	**159**	501
	36,218	35,507	**1,660**	2,395

The amounts payable to subsidiary undertakings of £0.3m were written back during the year. Other payables and accrued expenses includes £1.0m (FY23: £1.2m and FY22: £1.1m) of contract liabilities. The balance at 31 March 2024 relates to invoices raised in the year which will be recognised as revenue in the next financial year as well as deferred income (see note 19). Other payables and accrued expenses also include stock accruals and accruals for expenses as at 31 March 2024.

Non-current

	Group		Company	
	2024 £000	2023 £000 (restated)	**2024 £000**	2023 £000
Other payables	**892**	1,077	**–**	–

Other payables pertains to deferred income related to certain industry incentive schemes. FY23 balance has been restated. See note 19 for further details.

22 Employee benefits

Pension plans

Defined contribution plans

The Group operates a number of defined contribution pension plans, which include stakeholder pension plans whose assets are held separately from those of the Group, in independently administered funds.

The total expense relating to these plans in the current year was £2.4m (FY23: £2.5m) and represents contributions payable by the Group to the funds.

At the end of the financial year, there were outstanding pension contributions of <£0.1m (FY23: £0.1m), which are included in creditors.

Share-based payments

The Group share options (including SAYE plans) provide for an exercise price equal to the average quoted market price of the Group shares on the date of grant. In the case of SAYE, this price is discounted in line with HMRC limits. The vesting period is generally three or five years. The options expire if they remain unexercised after the exercise period has lapsed. Furthermore, options are forfeited if the employee leaves the Group before the options vest, unless for retirement, redundancy or health reasons. The options are equity settled.

Notes to the financial statements continued

for the year ended 31 March 2024

22 Employee benefits continued
Pension plans continued
Share-based payments continued

The number and weighted average exercise prices of share options are as follows:

	2024		2023	
	Options	**Weighted average exercise price**	Options	Weighted average exercise price
Outstanding at beginning of year	**2,678,240**	**0.85**	2,622,863	0.93
Granted during the year	**1,476,256**	**0.69**	1,477,409	0.77
Forfeited/lapsed during the year	**(1,970,656)**	**0.83**	(1,400,980)	0.93
Exercised during the year	**–**	**–**	–	–
Vested early during the year	**(9,740)**	**0.77**	(21,052)	0.86
Outstanding at the end of the year	**2,174,100**	**0.76**	2,678,240	0.85
Exercisable at the end of the year	**–**	**–**	7,682	1.78

The options outstanding at 31 March 2024 had a weighted average remaining contractual life of three years (FY23: 2.7 years) and exercise prices ranging from £0.69 to £1.78 (FY23: £0.77 to £1.93). Shares vested early relate to the FY24 SAYE of an employee who was classed as a good leaver. The weighted average share price at the date of exercise for share options that vested early in 2024 was £0.94 (FY23: £1.02).

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black–Scholes model.

The contractual life of the option is used as an input into this model.

Board deferred equity bonus shares

The Board deferred equity bonus shares have been discussed in more detail in the remuneration report (pages 104 to 130). The number of deferred equity bonus shares are as follows:

	Deferred equity bonus shares
Outstanding at beginning of year	**347,239**
Shares exercised	**(347,239)**
Outstanding at the end of the year	**–**
Exercisable at the end of the year	**–**

The above includes 310,536 shares for Mark Belton relating to his previous employment as CEO of Trifast plc which he exercised after year end following his departure. The remainder is 36,703 shares for C Foo relating to his former employment as TR Asia MD. He did not sit on the Board.

Notes to the financial statements continued

for the year ended 31 March 2024

22 Employee benefits continued

Board deferred equity bonus shares continued

These nil-cost options are subject to a three-year service period and the fair value has been calculated using the discounted dividend model (DDM). This is based on expected dividends over the three-year term. They are equity settled shares.

The weighted average share price at the date of exercise for share options exercised in FY24 was £0.68 (FY23: £0.61).

There were no outstanding options as at 31 March 2024.

Senior Manager (SM), Operational Executive Board (OEB) and Executive Leadership Team (ELT) LTIP shares

The number of SM LTIP shares is as follows:

	SM/OEB/ELT LTIP shares
Outstanding at beginning of year	5,627,572
Granted during the year	4,143,933
Lapsed during the year	(2,684,641)
Vested early during the year	–
Exercised during the year	(148,614)
Outstanding at end of year	**6,938,250**

The shares granted between 30 December 2016 and 14 November 2018, which vested on 30 December 2019, were subject to a base award and a multiplier award. The base award required a service period of three years from date of grant and was also subject to STGT performance conditions being met during the performance period. The multiplier award was determined by a non-market performance condition which was achieved at 31 March 2019, meaning the maximum multiplier was applied to the shares that vested. The method of settlement for these shares is a mixture of equity and cash settled. The fair value has been calculated using the DDM. This was at grant date for the equity settled awards. The fair value for the cash settled awards were remeasured to the date the awards vested. The opening balance at the beginning of the year includes 12,500 LTIP share award that was previously omitted. The weighted average share price at the date of exercise for share options exercised in FY24 was £0.73 (FY22: £0.92).

The awards granted in FY21 to FY23 are subject to a non-market performance condition of underlying EPS growth for a three-year period starting on 1 April 2020/21/22. The awards granted in FY24 are subject to a non-market based performance condition of underlying operating margin (UOM) (weighted 25%) and a market-based performance condition based on relative TSR (weighted 75%) for a three-year period starting on 1 April 2023 (see below for details of the performance conditions). The method of settlement for these shares is a mixture of equity and cash settled. The fair value for the UOM element has been calculated using the DDM whilst the fair value for the TSR element has been calculated using the Monte-Carlo simulation model. This was at grant date for the equity settled awards.

The weighted average share price at the date of exercise in FY23 was £0.55.

The FY22 non-market performance condition requires underlying EPS to grow by 16% per annum for a 25% payout, 25% per annum for a 72% payout (strong), with straight-line vesting in between. Maximum payout requires 37% growth per annum, with straight-line vesting in between maximum and strong.

The FY23 non-market performance condition requires underlying EPS to grow by 9% per annum for a 25% payout, 29% per annum for a 100% payout, with straight-line vesting in between.

The FY24 non-market performance condition requires UOM in FY26 to be 8.2% for 25% vesting, 9.1% for 50% vesting, 10% for 75% vesting and 11% or above for maximum vesting, with straight-line vesting in between these points. The FY24 market-based performance condition requires Trifast's TSR to be equal to the FTSE All Share Index's TSR for 25% vesting and 8% p.a. or above outperformance of the FTSE All Share Index's TSR for 100% vesting, with straight-line vesting in between these points.

Notes to the financial statements continued

for the year ended 31 March 2024

22 Employee benefits continued

Board LTIP shares

The Board LTIP shares are part of the remuneration policy approved at the 2020 AGM and have been discussed in more detail in the remuneration report (pages 104 to 146).
The maximum number of Board LTIP shares are as follows:

	Board LTIP shares
Outstanding at beginning of year	319,224
Granted during the year	1,323,648
Lapsed during the year	(661,114)
Outstanding at end of year	**981,758**

42,425 shares are for D Hayes-Powell relating to his former appointment as a Board Director. He left the Company on 21 February 2024. 124,780 shares are for C Foster relating to her former appointment as a Board Director. She left the Company on 30 August 2022.

Nil-cost options awarded up to and including FY23 are subject to performance (EPS growth and TSR performance) and service conditions over a three-year period. Nil-cost options awarded during FY24 are subject to a non-market based performance condition based on underlying operating margin (UOM) (weighted 25%) and a market-based performance condition based on relative TSR (weighted 75%) for a three-year period starting on 1 April 2023. The fair values for the EPS element and the UOM element have been calculated using the DDM whilst the fair value for the TSR element has been calculated using the Monte Carlo simulation. They are equity settled shares. In line with IFRS 2, the amount recognised as an expense has been adjusted to reflect the number of awards for which the service and non-market performance conditions are expected to be met.

The options outstanding at 31 March 2024 had a weighted average remaining contractual life of 6.8 years (FY23: 5.9 years).

SAYE share options

Date of grant	Type of instrument	Valuation model	Number outstanding on 31 March 2024	Share price on date of grant (£)	Exercise price (£)	Expected volatility %	Vesting period (years)	Expected life (years)	Risk-free rate %	Expected annual dividend %	Fair value (£)
13/08/2019	SAYE 5 Year	Black-Scholes	13,986	2.06	1.78	28.46	5.00	5.00	0.43	2.66	0.24
15/09/2020	SAYE 3 Year	Black-Scholes	73,891	0.98	0.86	36.62	3.00	3.00	(0.10)	1.22	0.27
15/09/2020	SAYE 5 Year	Black-Scholes	177,885	0.98	0.86	33.12	5.00	5.00	(0.06)	1.22	0.29
10/08/2021	SAYE 3 Year	Black-Scholes	88,580	1.44	1.05	40.39	3.00	3.00	0.21	1.11	0.54
10/08/2021	SAYE 5 Year	Black-Scholes	29,926	1.44	1.05	34.99	5.00	5.00	0.34	1.11	0.55
15/09/2022	SAYE 3 Year	Black-Scholes	374,413	0.84	0.77	43.25	3.13	3.13	3.06	2.50	0.26
15/09/2022	SAYE 3 Year	Black-Scholes	153,967	0.84	0.77	38.10	3.13	5.13	3.04	2.50	0.28
15/09/2023	SAYE 3 Year	Black-Scholes	937,678	0.81	0.69	47.80	3.13	3.13	4.47	2.79	0.29
15/09/2023	SAYE 5 Year	Black-Scholes	323,774	0.81	0.69	44.20	5.13	5.13	4.27	2.79	0.32
Total SAYE share options			**2,174,100**								

Notes to the financial statements continued

for the year ended 31 March 2024

22 Employee benefits continued

Share options

Date of grant	Type of instrument	Valuation model	Number outstanding on 31 March 2024	Share price on date of grant (£)	Exercise price (£)	Expected volatility %	Vesting period (years)	Expected life (years)	Risk-free rate %	Expected annual dividend %	Fair value (£)
30/12/2016	SM LTIP – equity	DDM	**228,348**	2.05	n/a	n/a	3.00	3.00	n/a	1.46	1.96
03/08/2021	Board LTIP shares – EPS	DDM	**87,346**	1.45	n/a	n/a	3.00	3.00	0.11	1.11	1.40
03/08/2021	Board LTIP shares – TSR	Monte Carlo	**37,434**	1.45	n/a	41.2	3.00	3.00	0.11	1.11	0.68
03/08/2021	OEB LTIP	DDM	**485,030**	1.45	n/a	n/a	3.00	3.00	n/a	1.11	1.40
03/08/2021	SM LTIP – equity	DDM	**656,666**	1.45	n/a	n/a	3.00	3.00	n/a	1.11	1.40
03/08/2021	SM LTIP – cash[1]	DDM	**61,000**	1.45[1]	n/a	n/a	3.00	2.34	n/a	2.00	1.10
06/09/2022	OEB LTIP – equity	DDM	**702,082**	0.94	n/a	n/a	3.00	3.00	n/a	2.24	0.88
06/09/2022	SM LTIP – equity	DDM	**751,667**	0.94	n/a	n/a	3.00	2.44	n/a	3.03	0.88
06/09/2022	SM LTIP – cash[1]	DDM	**98,500**	0.94[1]	n/a	n/a	3.00	3.00	n/a	2.24	0.88
18/11/2022	SM LTIP – cash[1]	DDM	**12,500**	0.57	n/a	n/a	3.00	3.00	n/a	3.68	0.51
28/11/2023	Board LTIP – relative TSR	Monte Carlo	**642,734**	0.76	n/a	48.3	3.00	3.00	4.20	2.77	0.44
28/11/2023	Board LTIP – UOM	DDM	**214,244**	0.76	n/a	n/a	3.00	3.00	4.20	2.77	0.70
28/11/2023	ELT LTIP – TSR equity	Monte Carlo	**543,205**	0.76	n/a	48.3	3.00	3.00	4.20	2.77	0.44
28/11/2023	ELT LTIP – UOM – equity	DDM	**181,068**	0.76	n/a	n/a	3.00	3.00	4.20	2.77	0.70
28/11/2023	SM LTIP – TSR – equity	Monte Carlo	**2,097,152**	0.76	n/a	48.3	3.00	3.00	4.20	2.77	0.44
28/11/2023	SM LTIP – UOM – equity	DDM	**699,051**	0.76	n/a	n/a	3.00	3.00	n/a	2.77	0.70
28/11/2023	SM LTIP – TSR – cash	Monte Carlo	**316,486**	0.76	n/a	48.3	3.00	3.00	4.20	2.77	0.44
28/11/2023	SM LTIP – UOM – cash[1]	DDM	**105,495**	0.74	n/a	n/a	3.00	2.66	n/a	2.82	0.69
Total share options (inc SAYE)			**10,094,108**								

1. The share price used to determine the fair value at FY24 was 74.6p (FY23: 77.8p)

Expected volatility was determined by calculating the historical volatility of the Group's share price over a period commensurate with the expected life or the remaining TSR performance period of the award as at the date of grant. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The exercise price used is in line with the appropriate award documentation. In the case of SAYE awards, this price is discounted in line with HMRC limits. For Board, Operational Executive Board, Executive Leadership Team and Senior Manager LTIP awards granted in the form of nil-cost options, the exercise price is nil.

Notes to the financial statements continued
for the year ended 31 March 2024

22 Employee benefits continued
SAYE share options continued
The risk-free rate has been set as the continuously compounded yield as at the grant date on zero coupon government bonds of a term commensurate with the expected life assumption.

The dividend yield has been set equal to the historic dividend yield as at the date of grant.

The Group recognised total income of (£0.1m) (FY23: <£0.1m) in relation to share-based payment transactions in the year. Of this, a charge of £800 (FY23: £8,000) relates to cash settled awards to which a liability is recognised on the statement of financial position in trade and other payables. The remaining amount relates to equity settled awards.

As at 31 March 2024, outstanding options to subscribe for ordinary shares of 5p were as follows:

Grant date/employees entitled	Number of instruments	Contractual life of options
13/08/19 SAYE	13,986	Apr 2023, Apr 2025
15/09/20 SAYE	251,776	Apr 2024, Apr 2026
10/08/21 SAYE	118,506	Apr 2025, Apr 2027
15/09/22 SAYE	528,380	Apr 2026, Apr 2028
15/09/23 SAYE	1,261,452	Apr 2027, Apr 2029
Total outstanding options	2,174,100	
Senior Manager and EC LTIP shares	6,938,250	Aug/Dec 2024, Sep/Nov 2025, Jul 2028, Aug/Nov 2029, Sep/Nov 2030, Nov 2031
Board LTIP shares	981,758	Aug 2029, Nov 2031
Total	**10,094,108**	

23 Provisions

Group	Restructuring £000	Dilapidations £000	Total £000
Balance at 31 March 2023	2,809	1,443	4,252
Utilised during the year	(2,145)	—	(2,145)
Released during the year	(416)	—	(416)
Increase during the year	1,661	628	2,289
Balance at 31 March 2024	**1,909**	**2,071**	**3,980**

Dilapidations relate to a portfolio of properties and external advisers were used to provide estimates of potential costs and likelihood of sub-letting. The future cash flows were then discounted using risk-free rates over the length of the leases. These will be utilised on vacation. Restructuring primarily relates to provision for redundancies and other related costs in relation to the restructuring programme. See note 2 for further details.

Notes to the financial statements continued

for the year ended 31 March 2024

23 Provisions continued

All amounts represent a best estimate of the expected cash outflows, although actual amounts paid could be lower or higher.

Group	**2024 £000**	2023 £000
Non-current (greater than one year)[1]	**1,548**	1,443
Current (less than one year)	**2,432**	2,809
Balance at 31 March	**3,980**	4,252

1. Provisions greater than one year relate to dilapidations for leases with end dates between 2025 and 2032

In respect of the Company there are £0.6m provisions (FY23: £0.4m) related to restructuring. During the year, £0.3m was utilised and £0.5m was provided.

24 Capital and reserves

Capital and reserves – Group and Company

See statements of changes in equity on pages 161 to 164.

Share capital

	Number of ordinary shares	
Group	**2024**	2023
In issue at 1 April	**136,104,935**	136,083,883
Shares issued	**9,740**	21,052
In issue at 31 March – fully paid	**136,114,675**	136,104,935

The total number of shares issued during the year was 9,740 for a consideration of <£0.1m (FY23: 21,052 shares for <£0.1m). In FY24 and FY23, all shares were issued for cash.

Group	**2024 £000**	2023 £000
Allotted, called up and fully paid		
Ordinary shares of 5p each	**6,806**	6,805

The holders of ordinary shares (excluding own shares held) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes to the financial statements continued

for the year ended 31 March 2024

24 Capital and reserves continued

Reserves

Share premium represents the amount subscribed for share capital in excess of nominal value.

The merger reserve has arisen under Section 612 of the Companies Act 2006 and is a non-distributable reserve. In June 2020 the Company successfully completed Placings of shares which increased the merger reserve by £14.8m.

During the year 522,435 shares (FY23: 298,372) were transferred out of the own shares held reserve at a weighted average cost of £1.58, total cost £0.8m (FY23: weighted average cost of £1.58, total cost £0.5m) to fulfil all of the exercise of awards in the year, excluding SAYE. The number of ordinary shares held at 31 March 2024 was 1,373,663 (FY23: 1,896,098). These shares are in the own shares held reserve and are to help meet future employee share plan obligations.

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations, as well as from the translation of liabilities that hedge the Group's net investment in foreign subsidiaries.

Dividends

During the year the following dividends were recognised and paid by the Group:

	2024 £000	2023 £000
Final paid 2023 – 1.50p (FY22: 1.40p) per qualifying ordinary share	**2,020**	1,875
Interim paid 2023 – 0.75p (FY22: 0.70p) per qualifying ordinary share	**1,006**	937
Total	**3,026**	2,812

After the balance sheet date, and subject to shareholder approval at the Annual General Meeting which is to be held on 10 September 2024, a final dividend of £1.20p per qualifying ordinary share (FY23: 1.50p) was proposed by the Directors. An interim dividend of 0.60p per qualifying ordinary share (FY23: 0.75p) was paid in April 2024. See the financial review for further details.

	2024 £000	2023 £000
Final proposed 2024 – 1.20p (FY23: 1.50p) per qualifying ordinary share[1]	**1,617**	2,013
Interim paid 2024 – 0.60p (FY23: 0.75p) per qualifying ordinary share	**808**	1,007
Total	**2,425**	3,020

1. Amount calculated using the number of ordinary shares in issue less the number of shares in the own shares held reserve at the end of each period

25 Earnings per share

Basic loss per share

The calculation of basic loss per share at 31 March 2024 was based on the loss attributable to ordinary shareholders of £(4.4)m (FY23: loss of £(2.9)m) and a weighted average number of ordinary shares outstanding during the year ended 31 March 2024 (net of own shares held) of 134,959,632 (FY23: 134,893,523), calculated as follows:

Weighted average number of ordinary shares

	2024	2023
Issued ordinary shares at 1 April	**136,104,935**	136,083,883
Net effect of shares issued (held)	**(1,145,303)**	(1,190,360)
Weighted average number of ordinary shares at 31 March	**134,959,632**	134,893,523

Diluted earnings per share

The calculation of diluted earnings per share at 31 March 2024 was based on loss attributable to ordinary shareholders of £(4.4)m (FY23: loss of £(2.9)m) and a weighted average number of ordinary shares outstanding during the year ended 31 March 2024 (net of own shares held) of 134,959,632 (FY23: 134,893,523), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2024	2023
Weighted average number of ordinary shares at 31 March	**134,959,632**	134,893,523
Effect of share options on issue	**–**	–
Weighted average number of ordinary shares (diluted) at 31 March	**134,959,632**	134,893,523

Notes to the financial statements continued

for the year ended 31 March 2024

25 Earnings per share continued

Weighted average number of ordinary shares (diluted) continued

The average market value of the Company's shares for the purposes of calculating the dilutive effect of share options was based on quoted market prices for the period that the options and deferred equity awards were outstanding. There is no potential dilutive effect of share options as the share options have not yet vested and conditions have not been met at the balance sheet. In assessing these we have assumed the balance sheet date is the end of the contingency.

Underlying earnings per share

	2024 EPS			2023 EPS		
EPS (total)	**Earnings £000**	**Basic**	**Diluted**	Earnings £000	Basic	Diluted
Loss after tax for the financial year	**(4,440)**	**(3.29)p**	**(3.29)p**	(2,866)	(2.12)p	(2.12)p
Separately disclosed items:						
Acquired intangible amortisation	**1,780**	**1.32p**	**1.32p**	1,798	1.33p	1.33p
Project Atlas	**2,079**	**1.54p**	**1.54p**	1,722	1.28p	1.28p
Aborted acquisitions costs/acquisition costs	**—**	**—**	**—**	261	0.19p	0.19p
Restructuring costs	**1,491**	**1.11p**	**1.11p**	4,235	3.14p	3.14p
Impairment of Non-current assets	**1,964**	**1.46p**	**1.46p**	2,926	2.17p	2.17p
Settlement for loss of office	**—**	**—**	**—**	1,050	0.78p	0.78p
Tax charge on adjusted items above	**(692)**	**(0.52)p**	**(0.52)p**	(2,211)	(1.64)p	(1.64)p
Tax adjusted items	**—**	**—**	**—**	—	—	—
Underlying profit after tax	**2,182**	**1.62p**	**1.62p**	6,915	5.13p	5.13p

The 'underlying diluted' earnings per share is detailed in the above tables. In the Directors' opinion, this reflects the underlying trading performance of the Group and assists in the comparison with the results of earlier years (see note 2).

Notes to the financial statements continued
for the year ended 31 March 2024

26 Financial instruments
(a) Fair values of financial instruments
There is no significant difference between the fair values and the carrying values shown in the balance sheet.

(b) Financial instruments risks
Exposure to credit, liquidity, interest rate and currency risks arise in the normal course of the Group's business, and the Group continues to monitor and reduce any exposure accordingly. Information has been disclosed relating to the individual Company only where a material risk exists.

(i) Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure with respect to credit risk is represented by the carrying amount on the balance sheet.

Cash and cash equivalents includes cash equivalents amounting to £0.9m (FY23: £1.6m). These are term deposits which are presented as cash equivalents if they have maturity of three months or less and subject to insignificant risk of changes in value.

Cash and cash equivalents are with approved counterparty banks and other financial institutions which have a rating for their long-term unsecured and non-credit-enhanced debt obligations of A– or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd, or A3 or higher by Moody's Investors Service Limited, or a comparable rating from an internationally recognised credit rating agency. Exceptions to this eligibility are approved by the CFO. Counterparty banks are assessed prior to opening bank accounts and on an ongoing basis to ensure exposure to credit risk is at an acceptable level.

Management considers credit risks arise principally from the Group's receivables from customers. A credit policy is in place and the exposure to credit risk is monitored on an ongoing basis.

Credit evaluations are performed on all customers requiring credit over a predetermined amount. All overdue debts are monitored regularly and customers are put on credit hold if payments are not received on time as appropriate. The carrying amount of trade receivables represents the maximum credit exposure for the Group. These procedures were further enhanced as a result of macro-level uncertainties. The maximum exposure to credit risk at the balance sheet date was £53.7m (FY23: £56.0m), being the total carrying amount of trade receivables net of an allowance. Management does not consider there to be any significant unimpaired credit risk in the year-end balance sheet (FY23: £nil), and to date has not seen a significant increase in risk as a result of macro-level uncertainties.

There have been no significant changes to estimation techniques or significant assumptions made during the reporting period.

At the balance sheet date there were no significant geographic or sector-specific concentrations of credit risk, although we continue to monitor the light and heavy vehicle sectors closely due to the ongoing challenges in these specific end markets.

Trade receivables were assessed for impairment at the balance sheet date using an expected credit loss model which measures the required allowance at an amount equal to expected lifetime credit losses applying both a qualitative and quantitative analysis of the asset base. The Group monitors significant customers' credit limits and recognises a specific impairment of trade receivables in circumstances where a customer's credit standing has deteriorated to the extent that a credit default is considered probable. The Group also recognises an expected credit loss impairment of trade receivables, whereby default losses are expected for each ageing category as follows: Overdue 90–120 days 10%; Overdue 120–360 days 15%; and Overdue over 360 days 100%. These expected default losses are monitored and are adjusted to reflect the current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The ageing analysis of gross trade receivables balances as at 31 March 2024 is as follows:

	2024	2023
0–90 days	**53,422**	55,138
90–120 days	**759**	1,084
120–360 days	**415**	789
360 days+	**202**	211
Total	**54,798**	57,222

The combined specific and expected credit loss impairment of trade receivables was £1.1 (FY23: £1.2m). The analysis of combined impairment based on the underlying receivables is as follows:

	2024	2023
0–90 days	**1.4%**	1.3%
90–120 days	**19.3%**	10.4%
120–360 days	**16.1%**	27.9%
360 days+	**79.1%**	73.9%
Total	**2.0%**	2.1%

Notes to the financial statements continued

for the year ended 31 March 2024

26 Financial instruments continued

(b) Financial instruments risks continued

(i) Credit risk continued

Impairment losses

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

	2024 £000	2023 £000
Balance at 1 April	**(1,210)**	(1,305)
Impairment reversal movement	**102**	95
Balance at 31 March	**(1,108)**	(1,210)

There are no significant losses/bad debts provided for specific customers. The allowance account for trade receivables is used to record impairment losses where a credit risk has been identified, unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

(ii) Liquidity and interest risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group holds debt and hence its main interest and liquidity risks are associated with the maturity of its facilities against cash inflows from around the Group. The Group's objective is to maintain a balance of continuity of funding and flexibility through the use of banking facilities as applicable.

On 1 June 2023, the Group's £80m Revolving Credit Facility was redeemed via two new banking agreements with a combined facility limit of £120m, in the form of:

1. Revolving Credit Facility (£70m)

   The facility has a term of three years with two possible one-year extensions (i.e. potential term of five years). The facility can be utilised in either USD, EUR or GBP and there are no pre-determined currency limits. Interest has increased in line with market conditions and will now be charged at the aggregate rate of SONIA/SOFR/EURIBOR plus margin within a range of 2.10–3.60% (redeemed £80m Revolving Credit Facility: aggregate rate of SONIA/SOFR/EURIBOR plus 1.10–2.20%).

2. UK Export Finance (UKEF) Export Development Guarantee (EDG) Facility (£50m Sterling equivalent)

   The facility has a term of five years with a three-year availability period and is split between a USD facility ($31m), a EUR facility (€17m) and a GBP facility (£10m) with UK Export Finance providing an 80% guarantee. Interest is charged at SONIA/SOFR/six-month EURIBOR with a margin of 2.32% on the USD loan and 2.10% on both the EUR and GBP loans.

Due to the quantitative and qualitative differences in the two facilities, the previous facility has been treated as being extinguished. The cash flows includes the repayment of the previous facility and the drawdown of the new facilities. On the date the previous facility was extinguished, there was no unamortised deferred finance costs.

Covenant headroom – at 31 March 2024

The new Group facilities are subject to the same quarterly covenant testing as follows:

Interest cover: Underlying EBITDA[1] to net interest[1] to exceed a ratio of four*.

Adjusted leverage: Total net debt[1] to underlying EBITDA[1] not to exceed a ratio of three.

* Temporary waiver received for the quarter ended 31 December 2023 and 31 March 2024 for reducing the Interest cover covenant to 3.5. The actual Interest cover was 3.6x and Adjusted leverage was 1.3x as at 31 March 2024. Subsequent to the year end, interest cover amendment was signed. See note 29 for further details.

1. As defined in the facility agreement

Notes to the financial statements continued
for the year ended 31 March 2024

26 Financial instruments continued
(b) Financial instruments risks continued
(ii) Liquidity and interest risk continued
Liquidity tables
The following are the contractual maturities of the existing financial liabilities, excluding trade and other payables as the contractual cash flows are equal to carrying amount and cash flows are within one year:

	2024					
	Carrying amount £000	Contractual cash flows[1] £000	Less than 1 year £000	1 to 2 years £000	2 to 5 years £000	Over 5 years £000
Non-derivative financial liabilities						
Group and Company						
Revolving Credit Facility (see note 20)	**22,175**	**22,680**	**—**	**—**	**22,680**	**—**
Export Development Guarantee Facility (see note 20)	**19,673**	**20,582**	**—**	**—**	**20,582**	**—**
Right-of-use liabilities (see note 12)	**18,423**	**25,147**	**4,749**	**3,953**	**7,087**	**9,358**
Total Group and Company	**60,271**	**68,409**	**4,749**	**3,953**	**50,349**	**9,358**

1. In addition to the above, there are interest charges of £4.8m in FY24 relating to the Revolving Credit and Export Development Guarantee Facilities. Future interest charges are based on a leverage ratchet mechanism, see note 20

	2023					
	Carrying amount £000	Contractual cash flows[1] £000	Less than 1 year £000	1 to 2 years £000	2 to 5 years £000	Over 5 years £000
Non-derivative financial liabilities						
Group and Company						
Revolving Credit Facility (see note 20)	69,825	69,825	—	69,825	—	—
Right-of-use liabilities (see note 12)	15,813	18,136	3,994	3,428	6,390	4,324
Total Group and Company	85,638	87,961	3,994	73,253	6,390	4,324

1. In addition to the above, there are interest charges of £2.2m in FY23 relating to the Revolving Credit Facility. Future interest charges are based on a leverage ratchet mechanism, see note 20

Notes to the financial statements continued

for the year ended 31 March 2024

26 Financial instruments continued

(b) Financial instruments risks continued

(ii) Liquidity and interest risk continued

Liquidity headroom

Trading forecasts show that the facilities in place at 31 March 2024 provided sufficient liquidity headroom. The Group continues to maintain positive relationships with a number of banks and the Directors believe that appropriate facilities will continue to be made available to the Group as and when they are required.

Facilities that were available at 31 March 2024 (excluding bank overdrafts and lease liabilities):

	2024			2023		
	Available facilities £000	**Utilised facilities £000**	**Unutilised facilities £000**	Available facilities £000	Utilised facilities £000	Unutilised facilities £000
Group and Company						
Revolving Credit Facility	**70,000**	**22,680**	**47,320**	80,000	69,825	10,175
Export Development Guarantee Facility	**50,000**	**20,582**	**29,418**	—	—	—
Total Group and Company	**120,000**	**43,262**	**76,738**	80,000	69,825	10,175

In addition, there is an accordion facility of £40.0m as part of the RCF agreement, which provides potential additional finance under current agreed terms subject to credit approval.

Interest risk

The Group monitors closely all loans outstanding which currently incur interest at floating rates. When appropriate, the Group makes use of derivative financial instruments, including interest rate swaps and caps. The Group will continue to review this position going forward.

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates the split between fixed and variable interest rates at the balance sheet date.

Further details of the rates applicable on interest-bearing loans and borrowings are given in note 20.

All assets and liabilities in place at year end bear interest at a floating rate and therefore may change within one year.

Interest rate table

	Group		**Company**	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Variable rate instruments				
Financial assets	**20,884**	31,798	**910**	640
Financial liabilities[1]	**(41,848)**	(69,825)	**(41,848)**	(69,825)
Adjusted net debt	**(20,964)**	(38,027)	**(40,938)**	(69,185)

1. Net of prepaid arrangement fee of £1.4m (FY23: £nil)

Notes to the financial statements continued
for the year ended 31 March 2024

26 Financial instruments continued
(b) Financial instruments risks continued
(ii) Liquidity and interest risk continued
Sensitivity analysis
A change of one percentage point in interest rates (using the net amount in the table above) at the balance sheet date would change equity and profit and loss by £0.2m (FY23: £0.4m). This calculation has been applied to risk exposures existing at the balance sheet date.

This analysis assumes that all other variables, in particular foreign currency rates, remain consistent and considers the effect of financial instruments with variable interest rates. The analysis is performed on the same basis for the comparative period.

(iii) Foreign currency risk
The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than local functional currency. The Group faces additional currency risks arising from monetary financial instruments held in non-functional local currencies.

Operational foreign exchange exposure
Where possible, the Group tries to invoice in the local currency at the respective entity. If this is not possible, then to mitigate any exposure, the Group tries to buy from suppliers and sell to customers in the same currency.

Where possible, the Group tries to hold the majority of its cash and cash equivalent balances in the local currency at the respective entity.

Monetary assets/liabilities
The Group continues to monitor exchange rates and buy or sell currencies in order to minimise open exposure to foreign exchange risk. The Group does not speculate on exchange rates. No foreign exchange derivative financial instruments are held at the balance sheet date.

The Euro denominated RCF and EDG utilised facilities (‘combined facilities’) of €29.1m (£24.9m) is net investment hedged against the net asset value of TR VIC, TR Kuhlmann and TR Holland. The USD denominated combined facilities of $0.5m (£0.4m) is net investment hedged against the net asset value of Falcon and TR Fastening Inc. Therefore, all foreign exchange movements that are being hedged are taken to the translation reserve. The remaining Euro and US Dollar denominated combined facilities of €14.5m and $7.0m respectively (£12.4m and £5.5m respectively) is naturally hedged by equivalent intercompany debtor assets in the Company.

The Group’s exposure to foreign currency risk is as follows (based on the carrying amount for cash and cash equivalents held in non-functional currencies):

31 March 2024	**Sterling £000**	**Euro £000**	**US Dollar £000**	**Singapore Dollar £000**	**Japanese Yen £000**	**Total £000**
Cash and cash equivalents exposure	**774**	**1,383**	**5,056**	**48**	**65**	**7,326**

31 March 2023	Sterling £000	Euro £000	US Dollar £000	Singapore Dollar £000	Japanese Yen £000	Total £000
Cash and cash equivalents exposure	665	2,751	8,222	5	44	11,687

Notes to the financial statements continued

for the year ended 31 March 2024

26 Financial instruments continued

(b) Financial instruments risks continued

(iii) Foreign currency risk continued

Monetary assets/liabilities continued

Group

A 1% change in significant foreign currency balances against local functional currency at 31 March 2024 would have changed equity and profit and loss by the amount shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant. The analysis is performed on the same basis for the comparative period.

		Equity and profit or loss	
Foreign currency	Local currency	**2024 £000**	2023 £000
Euro	Sterling	**(4)**	(6)
US Dollar	Singapore Dollar	**(12)**	(37)
US Dollar	Taiwanese Dollar	**(35)**	(40)
Euro	Taiwanese Dollar	**(2)**	(16)

(c) Capital management and allocation

It is the Board's desire to maximise long-term returns. As such, the generation and disciplined deployment of free cash is a core aspect of Trifast's strategy. The following framework and priorities have been established and these are refreshed as part of our annual budgeting process.

Capital allocation priorities

The Board's key capital allocation priorities are as follows:

- Continue to maintain adequate working capital as required to support organic growth in the short term
- Strategic and targeted investments to drive sustainable long-term organic growth
- Realise acquisitions in line with our acquisition strategy
- A progressive dividend policy, maintaining a medium-term target dividend cover range at the top end of between 3.0x to 4.0x

Special dividends and share buy-backs, having been considered, do not currently form part of our capital allocation framework.

Cash conversion

The Group has been, and continues to expect to be, consistently cash generative. In the longer term the Board continues to target normalised cash conversion of 70% to 80%, as we invest in the balance sheet to support our ongoing organic growth.

	2021	2022	2023	**2024**
Net debt to underlying EBITDA	(0.9)x	1.3x	2.2x	**1.3x**

Calculated in line with the banking agreement.

Maximum adjusted leverage covenant – 3.0x.

The Board has determined that in the current macroeconomic and shareholder environment, it is appropriate to adopt a prudent but flexible capital structure and will seek to operate in certain circumstances, e.g. non-organic investment, with leverage of up to 2.0x adjusted net debt (before IFRS 16): underlying EBITDA.

The Group has various borrowings and available facilities (see section (b) (ii) Liquidity and interest risk) that contain certain external capital requirements ('covenants') that are considered normal for these types of arrangements. As discussed above, we remain comfortably within all such covenants.

The capital structure of the Group is provided below:

	2024 £000	2023 £000
Borrowings (note 20)	**60,271**	85,638
Equity	**124,178**	135,889
Capital employed	**184,449**	221,527

27 Cross guarantee contracts

Company

The Company has a guarantee with HSBC, involving the UK trading subsidiaries, for a Group Class Guarantee facility of £2.0m (FY23: £2.0m).

Notes to the financial statements continued
for the year ended 31 March 2024

28 Related parties
Group and Company
Compensation of key management personnel of the Group
The below table shows compensation for key management personnel which comprises the Board and the ELT.

Full details of compensation of the Board are given in the Directors' remuneration report on pages 104 to 130.

	2024 £000	2023 £000
Short-term employee benefits	**2,365**	1,732
Compensation for loss of office	**461**	1,006
Company contributions to money purchase plans	**132**	96
Share-based payments	**30**	–
	2,988	2,834

Transactions with Directors and Directors' close family relatives
A relative of the previous Chair is employed by TR Fastenings Ltd. The relative is paid on an arm's length basis and aggregate payroll costs totalling £12,000 (FY23: £26,000) whilst the Chair was appointed by the Group is disclosed as a related party transaction.

There were no other related party transactions with Directors, or Directors' close family members, in the year (FY23: £nil).

Notes to the financial statements continued

for the year ended 31 March 2024

28 Related parties continued

Related party transactions

Details of principal subsidiary undertakings, country of registration and principal activities are included in note 31.

Company related party transactions with subsidiaries – income/expenditure FY24

	Rent income £000	Income management fees £000	Loan interest receivable £000	Total income £000	Expenditure management fees £000	Loan interest payable £000	Total expense £000
TR Fastenings Ltd	235	1,244	216	1,695	580	106	686
Lancaster Fastener Co. Ltd	–	25	–	25	–	–	–
Precision Technology Supplies Ltd	–	67	–	67	–	22	22
TR Southern Fasteners Ltd	–	70	8	78	–	–	–
TR Norge AS	–	27	–	27	–	–	–
TR Fastenings AB	–	106	91	197	–	–	–
TR Miller BV	–	198	18	216	–	–	–
TR Hungary Kft	–	168	46	215	–	–	–
TR VIC SPA	–	180	247	427	–	–	–
TR Kuhlmann GmbH	–	93	104	197	–	–	–
TR Fastenings España	–	96	338	435	–	–	–
TR Fastenings Inc	–	116	668	784	–	–	–
TR Falcon Fastening Solutions	–	95	5	100	–	–	–
TR Asia Investments Pte Ltd	–	411	–	411	–	–	–
Total	**235**	**2,896**	**1,741**	**4,874**	**580**	**128**	**708**

Notes to the financial statements continued
for the year ended 31 March 2024

28 Related parties continued
Related party transactions continued
Company related party transactions with subsidiaries – income/expenditure FY23

	Rent income £000	Income management fees £000	Loan interest receivable £000	Total income £000	Expenditure management fees £000	Total expense £000
TR Fastenings Ltd	290	376	217	883	1,649	1,649
Lancaster Fastener Co. Ltd	—	24	—	24	—	—
Precision Technology Supplies Ltd	—	65	—	65	—	—
TR Southern Fasteners Ltd	—	22	8	30	—	—
TR Norge AS	—	27	—	27	—	—
TR Fastenings AB	—	99	42	141	—	—
TR Miller BV	—	89	56	145	—	—
TR Hungary Kft	—	104	32	136	—	—
TR VIC SPA	—	183	203	386	—	—
TR Kuhlmann GmbH	—	87	—	87	—	—
TR Fastenings España	—	65	141	206	—	—
TR Fastenings Inc	—	111	563	674	—	—
TR Falcon Fastening Solutions	—	51	6	57	—	—
TR Asia Investments Pte Ltd	—	207	—	207	—	—
Total	290	1,510	1,268	3,068	1,649	1,649

Notes to the financial statements continued

for the year ended 31 March 2024

28 Related parties continued

Related party transactions continued

Company related party balances

	2024		2023	
	Balances receivables £000	Balances payables £000	Balances receivables £000	Balances payables £000
TR Fastenings Ltd	2,277	5,447	6,007	–
Lancaster Fastener Company Ltd	15	–	35	–
Precision Technology Supplies	45	1,000	39	–
TR Southern Fasteners Ltd	54	–	293	–
TR Norge AS	7	–	7	–
TR Fastenings AB	537	–	1,834	–
TR Miller Holding BV	147	–	1,287	–
TR Hungary Kft	457	–	1,247	–
TR VIC SPA	888	–	6,353	–
TR Kuhlmann GmbH	6,053	–	22	–
TR Fastenings España	4,447	–	4,374	–
TR Fastenings Inc	5,546	–	13,303	–
TR Falcon Fastening Solutions	19	–	250	–
TR Asia Investments Holdings Pte Ltd	581	–	806	–
TR Formac Pte Ltd	30	–	173	–
Special Fasteners Engineering Co Ltd	14	–	21	–
Power Steel & Electro-Plating Works SDN Bhd	16	–	28	–
TR Formac Co Ltd	3	–	1	–
TR Fastenings Poland Sp Zoo	–	–	48	–
Non-trading dormant subsidiaries/other	15	–	–	267
Trifast Overseas Holdings Ltd	43,491	–	44,400	–
Trifast Holdings BV	29	–	11	–
	64,671	6,447	80,539	267

All related party transactions are on an arm's length basis.

Notes to the financial statements continued
for the year ended 31 March 2024

29 Subsequent events
There are no material non-adjusting events subsequent to the balance sheet date except that the Group has disposed off TR Norge AS, amended the RCF and EDG facilities agreement to reflect the interest cover covenant, KBC Bank NV became a lender as part of the RCF agreement and one of the customers filed for an administration.

Trifast completed the sale of TR Norge AS on 3 April 2024 to Otto Olsen AS for a sales consideration of £0.7m (NOK 9.8m). It was concluded that the TR Norge AS product offering is better aligned to Otto Olsen's strategy and will provide a solid and stable base for the TR Norge AS team and enable customers to continue to be supported by a locally aligned business. Otto Olsen will become a master distributor to the Group, and we look forward to building a successful relationship with them for many years to come.

The sale is disclosed as a non-adjusting event as per IAS 10 and it did not affect the financial figures reported in this Annual Report for the year ended 31 March 2024 except the assets and liabilities as at 31 March 2024 related to TR Norge AS reclassified and disclosed as Assets and liabilities held for sale. The net assets as at 31 March 2024 of TR Norge AS are £0.3m and generated a profit before tax of £1,200. The results for TR Norge AS has not been disclosed as discontinued operations for FY24 as it is neither a separate major line of business or geographical areas of operations and hence, does not meet the criteria as per IFRS 5 for it to be classified as discontinued operations for FY24. The following major classes of assets and liabilities relating to TR Norge AS have been classified as held for sale in the consolidated statement of financial position as at 31 March 2024:

	2024 £000	2023 £000
Right-of-use assets	**66**	–
Deferred tax asset	**3**	–
Inventories	**306**	–
Trade and other receivables	**249**	–
Assets held for sale	**623**	–
Right-of-use liabilities	**76**	–
Trade and other payables	**272**	–
Liabilities held for sale	**348**	–

On 2 May 2024, the Group agreed to amend the interest cover covenant in the RCF and UKEF EDG term loan facilities agreements. This applies from the 30 June 2024 quarterly covenant calculation as follows:

1. Each relevant period from 30 June 2024, ending on 30 September 2025: 3.25x
2. Each relevant period from 31 December 2025, ending on 30 September 2026: 3.50x
3. Each relevant period from 31 December 2026, thereafter: 4.00x

On 3 July 2024, KBC Bank NV (KBC) became a lender as part of the RCF agreement. The facility commitment remained at £70.0m as an existing lender transferred part of their commitment to KBC. This commitment will support the Group's treasury strategy and plans in Eastern Europe.

Subsequent to the year end, on 27 June 2024, one of our customers entered into bankruptcy proceedings. Given the administration status of the customer, the debtor balance of £1.0m (excluding value added taxes) as on the date the customer went into administration is now considered at risk and may result in potential impairment. The management is closely monitoring the situation and will take appropriate actions to mitigate any potential financial impact on the Group. The expected credit loss (ECL) provision as at the balance sheet date adequately covers any expected loss for the debtor balance as at the balance sheet date. Hence, there is no impact on the expected credit loss provision reported in the consolidated financial statements for the year ended 31 March 2024 and accordingly is considered as a non-adjusting event.

30 Accounting estimates and judgements
The preparation of financial statements in conformity with Adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported annual amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key judgements
In preparing the financial statements and applying the Group's accounting policies, key judgements made by management include the Project Atlas costs meeting the capitalisation criteria under IAS 38 Intangible Assets.

This relates to Project Atlas costs meeting the capitalisation criteria under IAS 38 Intangible Assets, allowing directly attributable costs to be capitalised. The judgement includes identifying and quantifying the costs that should be capitalised, which principally relate to the design and build of the IT infrastructure, from the overall Project Atlas spend.

The March 2021 IFRS IC agenda decision update on 'configuration and customisation costs in a cloud computing arrangement' was considered in reaching this judgement. Management concluded that the Group continues to have control of the software intangible asset and hence it is appropriate to capitalise these costs due to the following factors:

- The Group has a right to take possession of a copy of the software and run it on either our own or a third party's computer infrastructure
- The 'on-premises' system functionality continues to provide an appropriate level of value in use for the Group in comparison to the cloud version

Notes to the financial statements continued

for the year ended 31 March 2024

30 Accounting estimates and judgements continued

Key judgements continued

This judgement will be reviewed periodically and if either of these circumstances change (the right to obtain a copy or the functionality diminishes) it could lead to an impairment of the intangible asset.

In the year, £0.2m (FY23: £0.9m) (see notes 13 and 14) has been capitalised. The costs expensed in the income statement are disclosed in note 2. Other than the above, no judgements have been made, other than those involving estimations, that have a significant effect on the amounts recognised in the financial statements.

Sources of estimation uncertainty

The sources of estimation uncertainty that management have identified which may result in a material adjustment to the carrying amount of assets and liabilities in the next financial year are inventory valuation and recoverability of goodwill.

Inventories are stated at the lower of cost and net realisable value with a provision being made for obsolete and slow-moving items. Initially, management makes a judgement on whether an item of inventory should be classified as standard or customer specific. Inventory which are custom made for specific customers are classified as customer specific and remaining inventory are classed as standard stock. This classification then largely determines when a provision is recognised. Predominantly across the Group for customer-specific inventory, 50% provision is made for inventories more than 12 months old and provided at 100% for inventories more than 18 months old. Management then estimates the net realisable value of the stock for each individual classification. There has been no change in the past assumptions. In most circumstances, a provision is made earlier for customer-specific stock (compared to standard) because it generally carries a greater risk of becoming obsolete or slow moving given the fastenings are designed specifically for an individual customer. The amount of write-downs recognised as an expense in the period relating to this estimate is detailed in note 18.

The carrying amount of inventory at year end was £73.4m, of which £38.4m related to customer-specific stock (FY23: carrying value £90.9m, customer-specific stock £51.9m).

The key sensitivity to the carrying amount of customer-specific inventory relates to the future demand levels for specific products stocked for individual customers. In the event that an individual customer's demand for products specific to them unexpectedly reduced, the Company might be required to increase the inventory provision. Although one customer taking such action is unlikely to result in a material adjustment, multiple customers taking such action over a short timescale could result in a material adjustment. The range of possible outcomes includes a write off of the carrying amount at year end, to a write back of the customer-specific inventory provision at year end of £6.9m (FY23: £6.1m).

The carrying amount of goodwill at the year end was £22.5m (FY23: £22.9m). Value in use calculations have been performed and no impairment noted. Sensitivity analysis have been performed. See note 13 for further details. In addition assessment was performed for all CGUs to identify any indicators of impairment. Following these analysis, impairment indicators were identified in relation to TR Hungary CGU. Value in use calculations were performed which resulted in impairment of the non-current assets of £1.9m. See note 13 for further details.

In FY23, as a result of increased discount rates and changes in estimated future cash flows, our discounted cash flow calculations showed an impairment in the TR Italy CGU of £2.9m. This resulted in full impairment of the goodwill in the in the TR Italy CGU.

As noted in note 1, management have considered the impact of the climate-related risks and opportunities on the business. Management have considered the potential effects of climate related changes in its estimates and future cash flow forecasts underpinning impairment testing for non-current assets. At present, it has been concluded that the impact will not be significant. These assumptions depend upon the outcome of future events and may need to be revised as circumstances change.

Notes to the financial statements continued

for the year ended 31 March 2024

31 Trifast plc subsidiaries

	Country of incorporation or registration	Issued and fully paid share capital	Principal activity	Percentage of ordinary shares held		Office address
				Group	Company	
Europe						
Trifast Overseas Holdings Ltd	United Kingdom	£112	Holding Company	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Trifast Holdings B.V.	Netherlands	€18,427	Holding Company	100%	—	KVK 33268836, Vestigingsnr. 000018832806, Kelvinstratt 5, 7575 AS Oldenzaal, Netherlands
TR Fastenings Ltd	United Kingdom	£10,200	Manufacture and distribution of fastenings	100%	—	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
TR Southern Fasteners Limited	Republic of Ireland	€254	Distribution of fastenings	100%	—	Mallow Business & Technology Park, Mallow, Co. Cork, P51 HV12, Republic of Ireland
TR Norge AS[1]	Norway	NOK 300,000	Distribution of fastenings	100%	—	Masteveien 8, NO-1481 Hagan, Norway
TR Miller Holding B.V.	Netherlands	€45,378	Distribution of fastenings	100%	—	Kelvinstraat 5, 7575 AS, Oldenzaal, Netherlands
Lancaster Fastener Company Ltd	United Kingdom	£40,000	Distribution of fastenings	100%	—	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
TR Fastenings AB	Sweden	SEK 1,500,000	Distribution of fastenings	100%	—	Box 4133, Smedjegatan 6, 7tr, SE-131 04 Nacka, Sweden
TR Hungary Kft	Hungary	HUF 68,257,300	Distribution of fastenings	100%	—	Szigetszentmiklós, Diósgyőri utca 2, 2310 Hungary
TR Fastenings Poland Sp. Z o.o	Poland	PLN 50,000	Distribution of fastenings	100%	100%	Al Jerozolimskie 56c, 00-803 Warszawa, Poland
TR Italy SPA	Italy	€187,200	Manufacture and distribution of fastenings	100%	—	Via Giuseppe Costantini, 19, 06022 Fossato Di Vico (PG), Italy
VIC Sp. Z o.o.[2]	Poland	PLN 50,000	Distribution of fastenings	100%	—	Wroclaw, ul Wiosenna 14/2, Poland
TR Kuhlmann GmbH	Germany	€25,000	Distribution of fastenings	100%	—	Lerchenweg 99, 33415 Verl, Germany
Precision Technology Supplies Ltd	United Kingdom	£10,000	Distribution of fastenings	100%	—	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
TR Fastenings España – Ingenieria Industrial, S.L.	Spain	€3,085	Distribution of fastenings	100%	—	Calle De La Cilencia 43, Viladecans Barcelona, CP 08840, Spain

Notes to the financial statements continued

for the year ended 31 March 2024

31 Trifast plc subsidiaries continued

	Country of incorporation or registration	Issued and fully paid share capital	Principal activity	Percentage of ordinary shares held		Office address
				Group	Company	
Asia						
TR Asia Investment Holdings Pte Ltd	Singapore	S$4	Holding Company	100%	—	57 Senoko Road, Singapore 758121
TR Formac Pte Ltd	Singapore	S$315,000	Manufacture and distribution of fastenings	100%	—	57 Senoko Road, Singapore 758121
TR Formac (Shanghai) Pte Ltd	China	US$200,000	Distribution of fastenings	100%	—	Room D, 1F, Building 2, No 390 Ai Du Road, China (Shanghai) Pilot Free Trade Zone, Shanghai
Special Fasteners Engineering Co Ltd	Taiwan	TW$100,000,000	Manufacture and distribution of fastenings	100%	—	9F.-3 No. 366, Bo Ai 2nd Rd. Kaohsiung 81358, Taiwan, R.O.C.
TR Formac Fastenings Private Ltd	India	INR 18,850,000	Distribution of fastenings	100%	—	Door No:6, 05th Cross Street, Mangala Nagar, Porur, Chennai-600 116, India
Power Steel & Electro-Plating Works SDN Bhd	Malaysia	MYR 4,586,523	Manufacture and distribution of fastenings	100%	—	Suite 1609, Tingkat 16, Plaza Pengkalan, Batu 3 Jalan Sultan Azlan Shah 51200 Kuala Lumpur, Malaysia
TR Formac Co. Ltd	Thailand	THB 60,000,000	Distribution of fastenings	100%	—	28, 3rd Floor Motorway Road, Prawet, Bangkok 10,250, Thailand
Americas						
TR Fastenings Inc	USA	US$20,000	Distribution of fastenings	100%	—	10811 Vine Crest Drive, Suite 190, Houston, Texas 77086, USA
TR Falcon Fastening Solutions	USA	US$1,000	Distribution of fastenings	100%	—	10715 John Proce Road, Charlotte, North Carolina, 28273, USA
Trifast Holdings (US) Inc	USA	$1	Holding Company	100%	—	251 Little Falls Drive, Wilmington, Delaware, 19808, USA

Notes to the financial statements continued

for the year ended 31 March 2024

31 Trifast plc subsidiaries continued

	Country of incorporation or registration	Issued and fully paid share capital	Principal activity	Percentage of ordinary shares held Group	Company	Office address
Dormants						
Trifast Systems Ltd[1,3]	United Kingdom	£1	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Ivor Green (Exports) Ltd[1]	United Kingdom	£1	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Charles Stringer's Sons & Co. Limited	United Kingdom	£1	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Fastech (Scotland) Ltd[1,3]	United Kingdom	£1	Dormant	100%	100%	International House, Stanley Boulevard, Hamilton Intnl Technology Park, Blantyre, Glasgow, Scotland, G72 0BN
Micro Screws & Tools Ltd[1,3]	United Kingdom	£1	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Trifast Holdings (Asia) Ltd	United Kingdom	£2	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Rollthread International Ltd	United Kingdom	£1	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
TR Group Ltd[1,3]	United Kingdom	£1	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Fastener Techniques Ltd[1]	United Kingdom	£1	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Trifast Qualifying Employee Share Ownership Trustee Ltd	United Kingdom	£2	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Trifix Ltd[3]	United Kingdom	£100	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
Serco Ryan Ltd[3]	United Kingdom	£3,000	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK
TR Europe Ltd	United Kingdom	£2,500	Dormant	100%	100%	Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, UK

All of the above subsidiaries have been included in the Group's financial statements.

1. During FY24, these companies undertook a purchase of their own shares to reduce their share capital to £1
2. During FY24, Trifast Qualifying Employee Share Ownership Trustee Ltd has been dissolved by Companies House
3. These companies have been dissolved by Companies House since 31.03.2024

Notes to the financial statements continued

for the year ended 31 March 2024

32 Alternative Performance Measures

The Annual Report includes both GAAP measures and Alternative Performance Measures (APMs), the latter of which are considered by management to allow the readers of the accounts to understand the underlying trading performance of the Group. A number of these APMs are used by management to measure the KPIs of the business (see pages 20 and 21 for key performance indicators) and are therefore aligned to the Group's strategic aims. They are also used at Board level to monitor financial performance throughout the year.

The APMs used in the Annual Report (including the basis of calculation, assumptions, use and relevance) are detailed in note 2 (underlying profit before tax, EBITDA and underlying EBITDA) and below.

- **Constant Exchange Rate (CER) figures**

These are used predominantly in the financial review and give the readers a better understanding of the performance of the Group, regions and entities from a trading perspective. They have been calculated by translating the FY24 income statement results (of subsidiaries whose presentational currency is not Sterling) using FY23 average annual exchange rates to provide a comparison which removes the foreign currency translational impact. The impacts of translational gains and losses made on non-functional currency net assets held around the Group have not been removed.

- **Underlying operating margin/EBIT margin**

Underlying operating margin is used in the financial review to give the reader an understanding of the performance of the Group and regions. It is calculated by dividing underlying operating profit (see return on capital employed section for reconciliation to operating profit) by revenue in the year.

- **Underlying effective tax rate**

This is used in the underlying diluted EPS calculation. It removes the tax impact of separately disclosed items in the year to arrive at a tax rate based on the underlying profit before tax.

	2024			2023		
	Profit impact £000	**Tax impact £000**	**ETR %**	Profit impact £000	Tax impact £000	ETR %
Profit/(loss) before tax	**(789)**	**(3,651)**	**(462.7)%**	(2,692)	(174)	(6.5)%
Separately disclosed items	**7,314**	**(692)**	**9.5%**	11,992	(2,211)	18.4%
Underlying profit before tax	**6,525**	**(4,343)**	**66.6%**	9,300	(2,385)	25.6%

- **Underlying diluted EPS**

A key measure for the Group to understand the underlying earnings per share. The calculation has been disclosed in note 25.

- **Underlying profit before tax**

A key measure for the Group, as it is one of the measures used to set the Directors' variable remuneration, as disclosed in the Directors' remuneration report. The calculation has been disclosed in note 2.

Notes to the financial statements continued

for the year ended 31 March 2024

32 Alternative Performance Measures continued

- **Underlying cash conversion as a percentage of underlying EBITDA**

This is another key metric used by investors to understand how effective the Group was at converting profit into cash. The adjustments made to arrive at underlying cash conversion from cash generated from operations are detailed below. To reconcile operating profit to underlying EBITDA, see note 2.

	2024 £000	2023 £000
Underlying cash conversion	**34,344**	9,435
Project Atlas	**815**	(1,634)
Restructuring and reorganisation costs	**(5,262)**	–
Acquisition costs	**–**	(261)
Settlement for loss of office	**–**	(1,050)
Profit on disposal of assets classified as held for sale	**2,014**	–
Cash generated from operations	**31,911**	6,490

- **Adjusted net debt to adjusted underlying EBITDA (adjusted leverage) ratio**

This removes the impact of IFRS 16 Leases from both net debt and underlying EBITDA and IFRS 2 Share-based Payments from underlying EBITDA to better reflect the banking facility covenant calculations. Underlying EBITDA is reconciled to operating profit in note 2.

	2024 £000	2023 £000
Net debt	**(39,387)**	(53,840)
Right-of-use lease liabilities	**18,423**	15,813
Adjusted net debt	**(20,964)**	(38,027)

	2024 £000	2023 £000
Underlying EBITDA	**19,848**	19,297
IFRS 2 Share-based Payment charge and other related costs	**(101)**	168
Operating lease payments	**(4,447)**	(4,483)
Adjusted underlying EBITDA	**15,300**	14,982

- **Adjusted interest cover**

This is adjusted EBITDA to adjusted net interest to better reflect the banking facility covenant calculations, removing the impact of IFRS 16 Leases. Underlying EBITDA has IFRS 16 Leases and IFRS 2 Share-based Payments removed above and is reconciled to operating profit in note 2.

	2024 £000	2023 £000
Net interest	**(5,419)**	(2,684)
Right-of-use liability interest	**796**	430
Adjusted net interest	**(4,623)**	(2,254)

- **Underlying return on capital employed (ROCE)**

Return on capital employed is a key metric used by investors to understand how efficient the Group is with its capital employed. The calculation is detailed in the glossary on page 230. The numerator is underlying EBIT which has been reconciled to operating profit below. Note 2 explains why the separately disclosed items have been removed to aid understanding of the underlying performance of the Group.

	2024 £000	2023 £000
Underlying EBIT/underlying operating profit	**11,944**	11,984
Separately disclosed items within administrative expenses		
Settlement for loss of office	**–**	(1,050)
Impairment of non-current assets	**(1,964)**	(2,926)
Acquired intangible amortisation	**(1,780)**	(1,798)
Project Atlas	**(2,079)**	(1,722)
Acquisition costs	**–**	–
Restructuring and reorganisation costs	**(1,491)**	(4,235)
Aborted acquisition cost	**–**	(261)
Operating profit	**4,630**	(8)

- **Working capital as a percentage of revenue**

This is calculated as current assets excluding cash and assets held for sale, less current liabilities excluding liabilities held for sale, restructuring provisions and tax payable as a percentage of Group revenue. It is a KPI for the Group as it remains a key focus to ensure efficient allocation of capital on the balance sheet to improve quality of earnings and reduce the additional investment needed to support organic growth.

Notes to the financial statements continued
for the year ended 31 March 2024

33 Reconciliation of net cash flow to movement in net debt

	2024 £000	2023 £000
Net change in cash and cash equivalents	**(9,825)**	4,862
Proceeds from new loan	**–**	(16,423)
Repayment of external loan	**116,500**	–
Proceeds from external loan	**(91,414)**	–
Net increase in right-of-use liabilities	**(3,000)**	(1,860)
Net proceeds from borrowings	**22,086**	(18,283)
Increase/(decrease) in net debt before exchange rate differences	**12,260**	(13,421)
Movement in prepaid arrangement fees	**1,414**	(206)
Exchange rate differences	**779**	(2,736)
Increase in net debt	**14,453**	(16,363)
Opening net (debt)	**(53,840)**	(37,477)
Closing net debt	**(39,387)**	(53,840)

Net debt is reconciled to the balance sheet as follows:

	2024 £000	2023 £000
Cash and cash equivalents	**20,884**	31,798
Other interest-bearing loans and borrowings	**(41,848)**	(69,825)
Right-of-use liabilities	**(18,423)**	(15,813)
Closing net (debt)	**(39,387)**	(53,840)

34 Changes in financial liabilities including both cash flows and non-cash changes

	2024 £000	2023 £000
Group		
Finance liabilities at 1 April	**85,638**	64,218
Cash flow changes	**(28,448)**	12,631
Foreign exchange on financial liabilities	**(1,867)**	2,931
Arrangement fees unwinding	**(1,414)**	206
Right-of-use liabilities additions	**6,988**	5,652
Right-of-use liabilities reclassified as held for sale	**(76)**	–
Right-of-use liabilities derecognition on termination	**(550)**	–
Finance liabilities at 31 March	**60,271**	85,638

The financial liabilities have an interest expense which was fully paid at the year end. See statement of cash flows on page 166.

	2024 £000	2023 £000
Company		
Finance liabilities at 1 April	**69,863**	50,549
Cash flow changes	**(18,661)**	16,399
Foreign exchange on financial liabilities	**(1,476)**	2,690
Arrangement fees unwinding	**(1,414)**	–
Right-of-use liabilities additions	**93**	19
Arrangement fees unwinding	**–**	206
Finance liabilities at 31 March	**48,405**	69,863

The financial liabilities have an interest expense which was fully paid at the year end. See statement of cash flows on page 166.

Liabilities arising from financing activities include other interest-bearing loans and borrowings and right-of-use liabilities.

Notes to the financial statements continued

for the year ended 31 March 2024

35 Revenue from contracts with customers

In line with IFRS 15 Revenue from Contracts with Customers we have included the disaggregation of external revenue by sector, breaking this down by our geographical operating segments.

March 2024	UK & Ireland	Europe	North America	Asia	Total
Light vehicle	**8%**	**14%**	**6%**	**6%**	**34%**
Health & home	**2%**	**11%**	**—**	**6%**	**19%**
Distributors	**7%**	**2%**	**1%**	**4%**	**14%**
Energy, tech & infrastructure	**6%**	**5%**	**3%**	**3%**	**17%**
General industrial	**5%**	**4%**	**2%**	**—**	**11%**
Heavy vehicle	**2%**	**3%**	**—**	**—**	**5%**
Revenue from external customers (AER)	**30%**	**39%**	**12%**	**19%**	**100%**

March 2023	UK & Ireland	Europe	North America	Asia	Total
Light vehicle	6%	11%	5%	6%	28%
Health & home	2%	10%	—	6%	18%
Distributors	10%	1%	1%	6%	18%
Energy, tech & infrastructure	6%	5%	4%	3%	18%
General industrial	5%	5%	3%	—	13%
Heavy vehicle	2%	3%	—	—	5%
Revenue from external customers (AER)	31%	35%	13%	21%	100%

36 Equity-accounted investments

The Group has an interest in an individually immaterial joint venture that is accounted for using the equity method.

On 25 September 2023, the Group entered into an agreement to form a joint venture, incorporated as TR Chia Yi Precision Fastenings Manufacturing (Dongguan) Co. Ltd (the ‘JV’). The agreement requires the Group to invest US$0.4m of share capital, giving a 40% share of the equity; the share capital is to be invested in three instalments, of which US$ 0.3m was invested during the year with the balance of US$0.1m to be provided during FY25.

At the balance sheet date, the Group’s carrying value of its interest in the JV was £0.2m (2023: £nil). The Group’s share of the JV’s loss for the start-up period from incorporation to 31 March 2024 was £0.1m, after the elimination on consolidation of the unrealised profit on product purchased by the Group from the JV still held as Group inventory at the balance sheet date. The JV had no other items of comprehensive income.

Glossary of terms

AER
Actual Exchange Rate.

Assets
Anything owned by the Company having a monetary value; e.g. fixed assets such as buildings, plant and machinery, vehicles (these are not assets if rented and not owned) and potentially including intangibles such as trademarks and brand names, and current assets, such as inventory, debtors and cash.

Average capital employed
Averaged using month-end balances and opening capital employed. Capital employed is the sum of net assets and gross debt.

Balance sheet (or statements of financial position)
These provide a 'snapshot' at a date in time of who owns what in the Company, and what assets and debts represent the value of the Company.

The balance sheet is where to look for information about short-term and long-term debts, gearing (the ratio of debt to equity), reserves, inventory values (materials and finished goods), capital assets, cash and the value of shareholders' funds. The balance sheet equation is:

Capital + Liabilities (where the money came from)

= Assets (where the money is now)

Broker option
The broker option has been issued to facilitate the participation by existing shareholders of the Company, being shareholders of the Company who hold shares in the Company.

CAGR
Compounded Annual Growth Rate.

Cash flow
The movement of cash in and out of a business from day-to-day direct trading and other non-trading effects, such as capital expenditure, tax and dividend payments.

Category 'C' components
Low-value components that are wrapped up into our supply proposition for a customer.

CBAM
Carbon Border Adjustment Mechanism.

CER
Constant Exchange Rate.

Current assets
Cash and anything that is expected to be converted into cash within 12 months of the balance sheet date. For example, debtors or inventory.

Current liabilities
Money owed by the business that is generally due for payment within 12 months of balance sheet date. For example: creditors, bank overdrafts or tax.

Depreciation
The proportion of cost relating to a capital item, over an agreed period (based on the useful life of the asset); for example, a piece of equipment costing £10,000 having a life of five years might be depreciated over five years at a cost of £2,000 per year.

This would be shown in the income statement as a depreciation cost of £2,000 per year; the balance sheet would show an asset value of £8,000 at the end of year one, reducing by £2,000 per year; and the cash flow statement would show all £10,000 being used to pay for it in year one.

Dividend
A dividend is a payment made per share to a company's shareholders and is based on the profits of the year, but not necessarily all the profits. Normally a half-year dividend is recommended by a company board whilst the final dividend for the year is proposed by the Board of Directors and shareholders consider and vote on this at the Annual General Meeting.

Dividend cover
Underlying diluted earnings per share over proposed dividend per share in the year.

Earnings before
There are several 'Earnings before….' ratios. The key ones being:

- PBT — Profit/earnings before taxes
- EBIT — Earnings before interest and taxes
- EBITDA — Earnings before interest, taxes, depreciation and amortisation
- Underlying profit before separately disclosed items (see note 2)

Earnings relate to operating and non-operating profits (e.g. interest, dividends received from other investments).

Glossary of terms continued

EDG
Export Development Guarantee.

GAAP
Generally Accepted Accounting Practice.

GDPR
The General Data Protection Regulation is a regulation by which the European Parliament, the Council of the European Union and the European Commission intend to strengthen and unify data protection for all individuals within the European Union. It also addresses the export of personal data outside the EU.

Gearing
The ratio of debt to equity, usually the relationship between long-term borrowings and shareholders' funds.

Goodwill
Any surplus money paid to acquire a company that exceeds its net assets fair value.

ICAEW
Institute of Chartered Accountants in England & Wales.

Intellectual property (IP)
This is an intangible asset such as a copyright or patent.

Copyright is the exclusive right to produce copies and to control an original work and is granted by law for a specified number of years.

A patent is a government grant to an inventor, assuring the inventor the sole right to make, use and sell an invention for a limited period.

Legal entity identifier (LEI)
An LEI is a unique identifier for persons that are legal entities or structures including companies, charities and trusts. The obligation for legal entities or structures to obtain an LEI was endorsed by the G20 (the leaders of the 20 largest economies). Further information on LEIs, including answers to frequently asked questions, can be found at https://www.lei-worldwide.com/lei-code-faq.html.

MiFID
MiFID applied in the UK from 2007, and was revised by MiFID II, in January 2018, to improve the functioning of financial markets in light of the financial crisis and to strengthen investor protection. MiFID II extended the MiFID requirements in a number of areas – new market structure requirements, including:

- New and extended requirements in relation to transparency
- New rules on research and inducements
- New product governance requirements for manufacturers and distributors of MiFID 'products'
- Introduction of a harmonised commodity position limits regime

Multinational OEMs
We use this term to include all Original Equipment Manufacturers (OEMs), Tier 1 suppliers in the automotive sector and relevant key sub-contractors in the other sectors we service.

Non-pre-emptive rights
This term refers to an issue or sale of any equity securities by a company to which pre-emptive rights do not apply.

OEM
Original equipment manufacturers.

PDMR
This term stands for Persons Discharging Managerial Responsibility. These relate to people who are Board Directors or Senior Management, who have access to price-sensitive information on a regular basis. As a result, if they buy or sell shares at any time this must be declared in a PDMR notice which is released by the Company via the London Stock Exchange News Service (RNS). PDMRs may not deal in the Company's shares in a close period.

P/E ratio (price per earnings)
The P/E ratio is an important indicator as to how the investing market views the health, performance, prospects and investment risk of a plc. The P/E ratio is arrived at by dividing the share price by the underlying diluted earnings per share.

Glossary of terms continued

Placing
A Placing (called a placement in the USA) is the issue of new securities, which are sold directly to holders, usually institutional investors. Unlike a rights issue, a Placing of shares is not an offer to existing shareholders; simply to any suitable buyers who can be found. The advantage of a Placing is that it is a cheaper and simpler method of raising funds for the business.

PPE
PPE stands for Personal Protective Equipment and includes items such as masks, helmets, gloves, eye protection and high-visibility clothing and is designed to keep people safe.

Pre-emptive rights
Pre-emptive rights are a clause in an option, security or merger agreement that gives the investor the right to maintain his or her percentage ownership of a company by buying a proportionate number of shares of any future issue of the security.

Profit
The surplus remaining after total costs are deducted from total revenue.

Profit and loss account (P&L) (or income statement)
The P&L shows how well the Company has performed in its trading activities and would cover a trading account for a period.

The P&L shows profit performance and typically shows sales revenue, cost of sales/cost of goods sold, generally a gross profit margin, fixed overheads and/or operating expenses, and then a profit before tax figure (PBT).

Project Atlas
A Microsoft D365 implementation programme.

Reserves
The accumulated and retained difference between profits and losses year-on-year since the Company's formation.

Retained profit/earnings
Business profit which is after tax and dividend payments to shareholders; retained by the business and used for reinvestment.

Return on capital employed (ROCE)
A fundamental financial performance measure. A percentage figure representing earnings before interest and tax against the money that is invested in the business.

Underlying EBIT ÷ average capital employed (net assets + gross debt) × 100 = ROCE.

RCF
Revolving Credit Facility.

Rights issue
A rights issue is the term for when a company offers more of its ordinary shares to current shareholders, usually to raise extra capital for the business.

Share capital
The balance sheet nominal value paid into the Company by shareholders at the time(s) shares were issued.

Shareholders' funds
A measure of the shareholders' total interest in the Company, represented by the total share capital plus reserves.

Statements of cash flow
The statements of cash flow show the movement and availability of cash through and to the business over a given period. For any business 'cash is king' and essential to meet payments, for example to suppliers, staff and other creditors.

Stock code
A stock code is used to find a listing on the regulatory market such as the London Stock Exchange. Trifast's stock code is TRI.

Third-party logistics (3PL)
3PL in logistics and supply chain management is an organisation's use of third-party businesses to outsource elements of its distribution, warehousing and fulfilment services.

Tier 1
A subcontractor to the OEM.

Trademark
The name or a symbol used by a manufacturer or dealer to distinguish its products from those of competitors. A registered trademark is one that is officially registered and legally protected.

UKEF
UK Export Finance.

Working capital
Current assets excluding cash, less current liabilities excluding debt-like items representing the required investment, continually circulating, to finance inventory, debtors and work in progress.

Five-year history

	2020	2021	2022	2023	**2024**
Revenue	£200.2m	£188.2m	£218.6m	£244.4m	**£233.7m**
GP margin[2]	27.5%	26.5%	26.7%	25.3%	**25.5%**
Underlying operating profit[1,2]	£15.8m	£12.0m	£14.7m	£12.0m	**£11.9m**
Underlying operating profit margin[1,2]	7.9%	6.4%	6.7%	4.9%	**5.1%**
Operating profit/(loss)[2]	£4.1m	£8.8m	£11.6m	£(8.0)k	**£4.6m**
Operating profit margin[2]	2.0%	4.7%	5.3%	0.0%	**2.0%**
Underlying EBITDA[1,2]	£21.2m	£17.6m	£20.4m	£19.3m	**£19.8m**
Underlying PBT[1,2]	£14.7m	£11.0m	£13.8m	£9.3m	**£6.5m**
PBT/(LBT)[2]	£3.0m	£7.8m	£10.6m	£(2.7)m	**£(0.8)m**
ROCE %[1,2]	8.8%	6.8%	8.3%	5.4%	**5.7%**
Total dividend per share	1.20p	1.60p	2.10p	2.25p	**1.80p**
Dividend increase/(decrease) %	(71.8)%	33.3%	31.3%	7.1%	**(20.0)%**
Dividend cover	7.2x	3.9x	3.9x	2.3x	**0.9x**
Underlying diluted EPS[1,2]	8.64p	6.24p	8.13p	5.13p	**1.62p**
Diluted EPS/(LPS)[2]	(0.19)p	4.31p	6.56p	(2.12)p	**(3.29)p**
Adjusted net debt/(cash)[3]	£15.2m	£(13.3)m	£23.8m	£38.0m	**£21.0m**
Cash conversion % of underlying EBITDA[1,2]	105.1%	147.9%	(66.8)%	48.9%	**173.0%**
Share price at 31 March	95p	150p	115p	78p	**75p**

1. Before separately disclosed items, see note 2
2. Presented after adoption of IFRS 16 Leases from FY20
3. Adjusted net debt/(cash) is excluding the impact of IFRS 16 Leases

Company and advisers

Company
Trifast plc
Incorporated in the United Kingdom
Registered number: 01919797

LSE Premium Listing
Ticker: TRI

LEI REFERENCE: 213800WFIVE6RWK3CR22

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Telephone: +44 (0)1825 747366

Committee memberships as at 1 April 2024
Audit & Risk Committee
Clive Watson (Chair)
Louis Eperjesi
Laura Whyte

Remuneration Committee
Laura Whyte (Chair)
Clive Watson
Louis Eperjesi

Nomination Committee
Serena Lang (Chair)
Clive Watson
Louis Eperjesi
Laura Whyte

Responsible Business Committee
Louis Eperjesi (Chair)
Serena Lang
Iain Percival
Clive Watson
Laura Whyte

Company Secretary
Christopher Morgan
Email: companysecretariat@trifast.com

Advisers
Registered auditor
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West Sussex RH6 0PA

Corporate stockbroker
Peel Hunt LLP
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London EC2M 2AT

Solicitor
CMS LLP
78 Cannon Street
London EC4 N 6AF

Registrar
Computershare Investor Services plc
The Pavilions, Bridgwater Road
Bristol BS13 8AE

Financial PR
TooleyStreet Communications Limited
15 Colmore Row
Birmingham B3 2BH

Financial calendar

AGM	12.30pm, 10 September 2024
Half-yearly results	November 2024[1]
Trading update	February 2025[1]
Financial year end	31 March 2025[1]
Pre-close trading update	April 2025[1]
Preliminary results	June 2025[1]

1. Dates are provisional and subject to change

Details of the Company's up-to-date financial reporting calendar can be found on our website at www.trifast.com/investors/financial-information/financial-calendar.

Dividend calendar

Proposed final dividend	1.20p
Ex-dividend date	12 September 2024
Final dividend record date	13 September 2024
Last date for DRIP elections	20 September 2024
Final dividend payment date	11 October 2024
DRIP document mailing date	21 October 2024

Annual General Meeting (AGM)

The Annual General Meeting will be held at 12.30pm on 10 September 2024 at the UK National Distribution Centre, Reedswood Park Road, Walsall WS2 8DQ.

The Notice of Meeting, which includes special business to be transacted at the AGM together with an explanation of the resolutions to be considered at the meeting, is made available on the Company's website and communicated directly to shareholders.

Registrar

Trifast's Registrar is Computershare Investor Services. They can be contacted for any matters relating to your shareholding, including notification of change in name and address; enquiries about dividend payments; and submission of proxy form for voting at the Annual General Meeting.

Shareholders who receive duplicate sets of Company mailings because they have multiple accounts should contact Computershare to have their accounts amalgamated. Computershare offers a facility whereby shareholders can access their shareholdings in Trifast via their website.

Please have your Shareholder Reference Number to hand whenever you contact the Registrar www.computershare.com/uk.

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