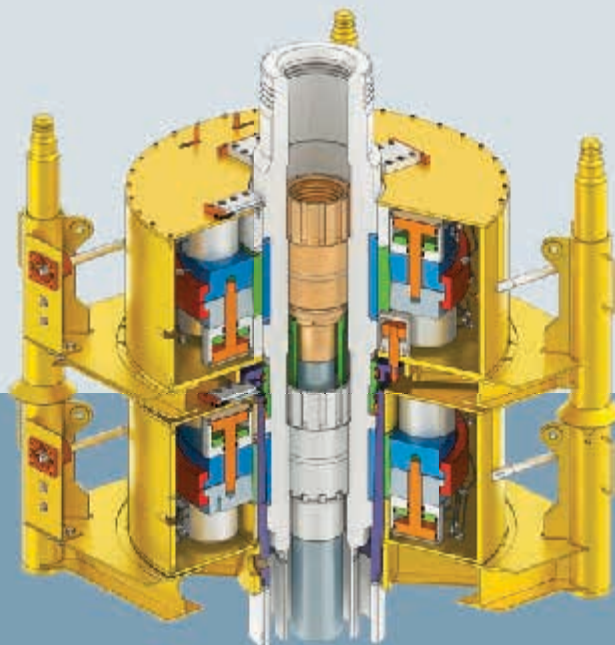


PLEXUS

A N N U A L R E P O R T

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S A F E R P E R F O R M A N C E
F A S T E R S E R V I C E
R E D U C E D C O S T S



Changing global drilling standards in the oil and gas industry by delivering innovative equipment and services which dramatically improve safety and reduce costs.

PLEXUS HOLDINGS PLC IS LISTED ON THE AIM MARKET OF THE LONDON STOCK EXCHANGE (AIM: POS)

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FINANCIAL RESULTS

- Record revenue, EBITDA, profit before tax and profit after tax
- PAT increased **18.8%** to **£5.43m** (2014: £4.57m as restated)
- Revenues increased **5.6%** to **£28.53m** (2014: £27.02m)
- EBITDA increased **5.7%** to **£9.53m** (2014: £9.02m)
- PBT increased **10.5%** to **£5.94m** (2014: £5.38m)
- EPS increase **17.5%** to **6.40p** (2014: 5.44p as restated)
- Final dividend proposed increase of **182.3%** to **1.75p** per share (2014: 0.62p)

CORPORATE HIGHLIGHTS

- Growing global awareness of both Plexus and the safety and operational benefits of POS-GRIP® technology
 - Jereh, China (new licencing partner) subscribed for 5% issued share capital of Plexus for **£8.04m**
 - Size of Aberdeen operational headquarters doubled - **£2.4m** acquisition of a circa **36,000** sq.ft work shop and office facility from Baker Hughes
 - Presented at two major oil and gas conferences - "World Oil HP/HT Drilling and Completions Conference" in Houston, Texas, and the "HP/HT Wells Summit 2015" in London
 - Won the "Commitment to Innovative Use of Research and Development" award at the 11th annual Northern Star Business Awards 2014, in Aberdeen
- Strengthened Board with the appointment of Charles Jones as a non-executive director
- Bank facilities renewed post period end with the Bank of Scotland
 - **£5m** revolving credit facility on 3 yr. term
 - Additional **£1m** overdraft on a yearly term

OPERATIONAL HIGHLIGHTS

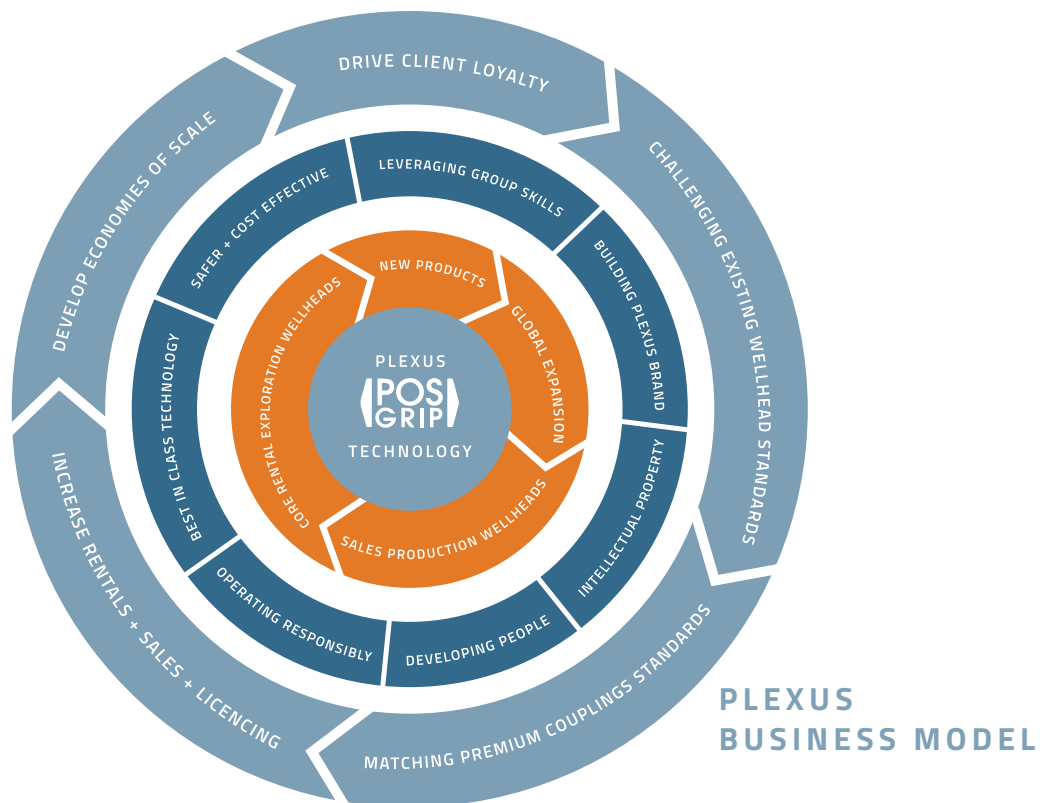
- Strong financial performance driven by core business renting proprietary POS-GRIP® friction-grip wellhead exploration equipment- contracts secured include:
 - **£0.6m** Centrica for North Sea
 - **£0.9m** Det Norske in Norway
 - Significant contract with BG Group for North Sea
 - **£1.9m** order with undisclosed customer for North Sea
 - **£1.5m** for Brunei Shell in Brunei
 - **US\$0.8m** for Cardon IV in Venezuela
 - **£1.0m** Premier Oil Norge AS for North Sea
 - **£1.25m** Maersk for North Sea
 - **£3.3m** new customer Total in Norway
- Acceleration of planned international expansion through strategic initiatives:
 - Major Chinese licence agreement signed with Jereh
 - Formation of a new Malaysian Joint Venture company
 - Secured Malaysian PETRONAS licence
- £1.5m disposal of 25% shareholding interest in private manufacturing company
- Research and development and new product innovation:
 - Launched new Python™ Subsea Wellhead – JIP partners include BG, eni, Maersk, Royal Dutch Shell, TOTAL, Tullow Oil, Wintershall and Senergy
 - **£0.8m** agreement with Centrica for new POS-SET Connector™ for growing abandonment market
 - Collaboration with Aquaterra to develop HP/HT dual marine risers
 - HP/HT Tie-Back connector product being marketed to the industry
 - Capital investment in additional POS-GRIP rental wellhead assets for exploration was **£2.53m** (2014: £2.32m)
 - R&D spend increased by **46.7%** to **£3.47m** (2014: £2.37m)

OUR VISION

To build Plexus into a leading international wellhead engineering company supplying POS-GRIP friction-grip technology as the best in class and safest wellhead equipment across exploration, production and subsea.

OUR STRATEGY

Accelerate the adoption of POS-GRIP technology by the wider oil and gas market through organic growth, global expansion, forming strategic partners and licencing agreements as well as new product development and innovation to generate additional revenue streams.



PLEXUS' BUSINESS MODEL

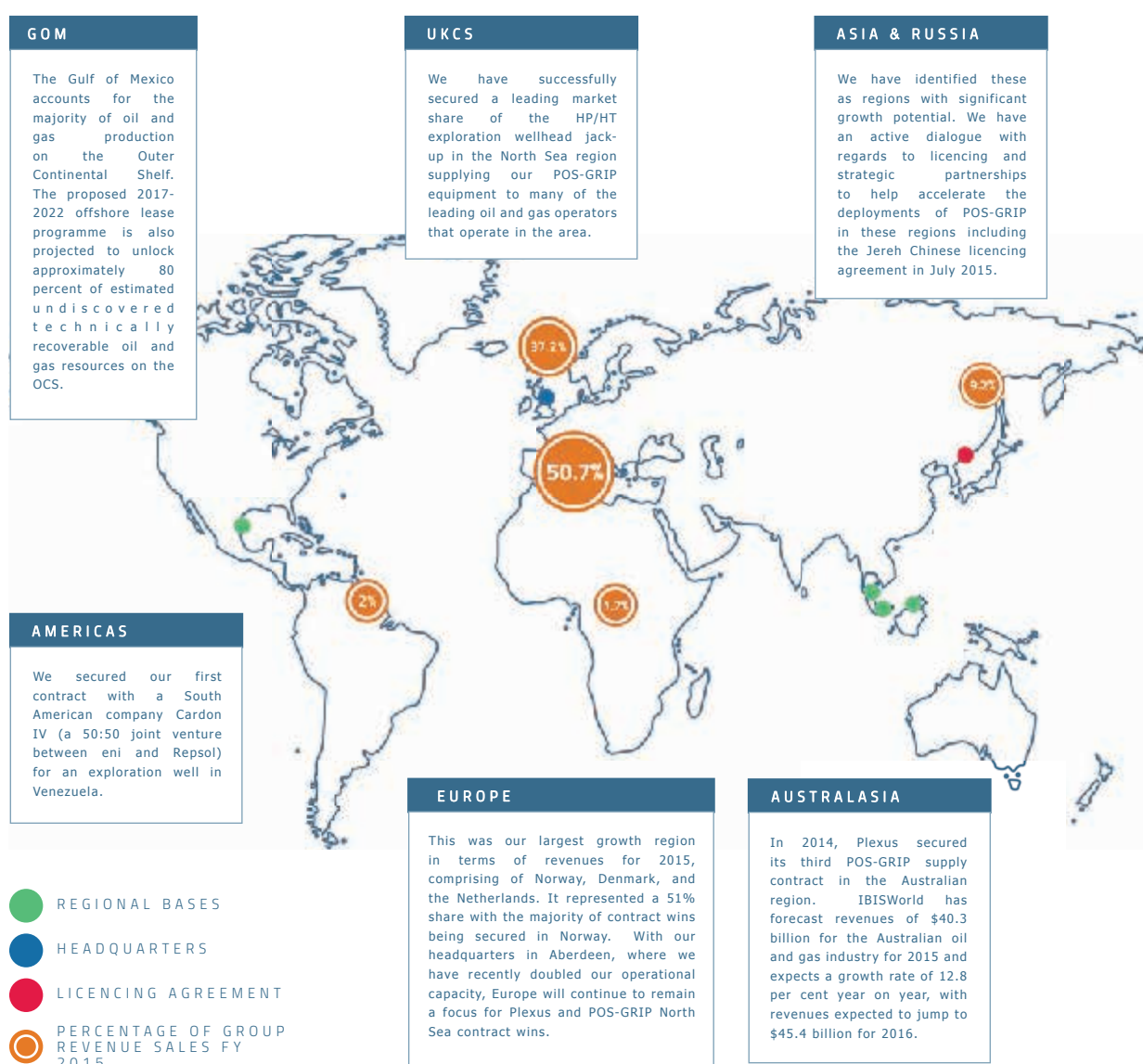
Plexus operates a rental supply business model for its proprietary POS-GRIP® wellhead equipment primarily for the exploration jack-up market, sells into the production wellhead market and will soon rent and sell into the subsea wellhead market. Central to Plexus' revenue business model is R&D and new product innovation. Recent examples include the launch of the Python Subsea wellhead, POS-GRIP Connector and Marine Risers. Plexus is also looking to accelerate its global expansion through licencing and strategic partnerships.

Plexus has a strong and experienced Board and management structure with which to drive growth. Our Board has a diverse skill set allowing each member to help deliver on Plexus' vision which is to be at the forefront of wellhead technology and establish our patented and best in class POS-GRIP technology as a new industry standard for wellhead design, thanks to its products which offer multiple benefits and advantages in terms of improved safety, functionality, operational efficiency, and cost and time savings.

GLOBAL EXPANSION

We continue to receive enquiries from across the globe from oil and gas operators that are considering POS-GRIP technology for its unique technical, safety and time saving capabilities. Expanding from our dominant position in the North Sea into new geographical areas is central to our growth strategy, especially at a time when the North Sea is under pressure from a low oil price. Our primary revenue stream is derived from our POS-GRIP friction grip wellhead systems

for jack-up drilling exploration activities. In terms of sales achieved during financial year 2015, a strong performance was seen in Europe which, excluding the UK, grew 110% and accounted for 51% of sales as compared to the UK North Sea which grew by 7% and accounted for 37% of sales. Sales in the rest of world accounted for 12% of sales, of which Asia comprised 9.2% an increase of 22% against last year.



POS-GRIP Technology is a patented method of engineering which has the potential for a wide range of applications both within and outside the oil and gas industry. For the upstream oil and gas markets POS-GRIP has been developed to deliver a method of wellhead engineering which is safer, faster and more cost effective to use for drilling activities across exploration, production and subsea.

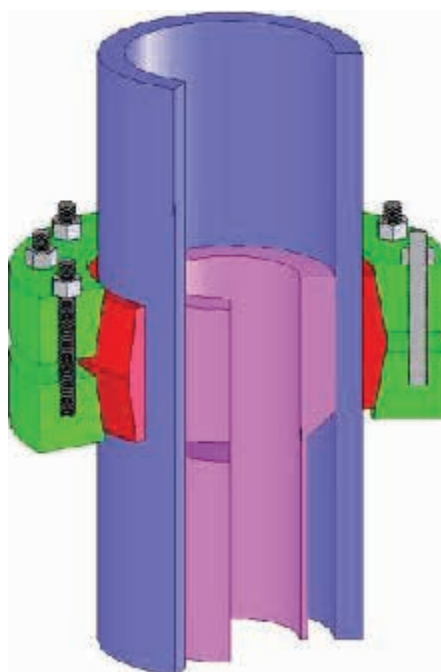
POS-GRIP TECHNOLOGY AND HG® SEALS

POS-GRIP is based on two very simple engineering concepts – elasticity of materials and friction. Every object moves a small amount when a force is applied to it, and POS-GRIP uses this to flex a high pressure body in and out within the elastic range.

In wellheads, POS-GRIP can replace the conventional load shoulder or slips to create a high-load hanger support mechanism which is adjustable, full-bore, fully elastic, and provides instant, high-capacity lockdown.

HG seals are robust metal-to-metal seals which can be machined directly into the hanger, and are energised by use of an external POS-GRIP mechanism. External activation results in direct control of contact stresses at the sealing surface, leading to exceptional reliability and repeatability. This simple and elegant sealing mechanism has been qualified for X-HPHT service using validation criteria well above and beyond standard industry seal performance verification requirements.

POS-GRIP Technology and HG seals have already been applied to a wide range of wellhead and connector products, where the simplicity of the system results in robust products which are safer to operate, cheaper to install and offer unprecedented integrity for the life of field.



**PLEXUS
POS-GRIP® TECHNOLOGY**

POS-GRIP EXPLORATION WELLHEAD SYSTEMS

Well integrity and safety is critical when drilling exploration wells. Plexus has pioneered the use of a 'through the BOP' wellhead systems for jack-up exploration drilling. A welcome benefit from this design philosophy is time and cost savings. Our wellhead system saves a BOP lift for every casing string installed compared to conventional systems. This

saves one to four days down time per well, generating significant cost reductions, and in many cases can make the rental cost negative for the customer. The systems are available from existing stock on a rental basis, reducing lead times for customers.



POS-GRIP HG PRODUCTION WELLHEADS

Integrity of equipment is essential for long term production wells, where many hundreds of pressure and temperature cycles can be seen throughout the life of a field. POS-GRIP HG Production Wellheads are designed and

tested to meet worst case conditions, and provide the safest possible solution during drilling and production.

As well as offering the highest standards in safety and integrity, HG Production Wellheads are designed to be quick and simple to install. The through the BOP design combined with extremely simple hangers and running tools can generate days of time-savings per well. The systems are available for sale and require minimal maintenance during field life.

TERSUS™ MUDLINE SYSTEMS

The Plexus range of Tersus Mudline Suspension Systems is designed with proactive well control and safety in mind. Wherever possible, all procedures are carried out under full BOP protection, which is sadly not the case with most other commercially available systems.

Mudline Systems are often thought of as being cheap and simple, but significant value can be added through design details

which enhance safety, create savings and reduce risk. For example, the Plexus Tersus-TRT combined TA Cap is safer to use and quicker to install than multi cap options. The Tersus PCT system has the potential for huge savings by allowing the recovery of HP/HT exploration wells, and enabling pre-drilling of HP/HT development wells.



TERSUS PCT HP/HT TIE-BACK CONNECTOR

Our HP/HT up to 20,000 psi Tie-Back Connector, is an innovative and unique product sponsored by Maersk. The Tie-Back Connector features our metal-to-metal HG seals and for the first time allows HP/HT exploration and pre-

drilled production wells to be converted to either subsea or platform producing wells delivering significant savings in terms of capital expenditure and the acceleration of bringing a well into production. At a time when the industry is focusing strongly on cost and capex saving opportunities the benefits of such an innovative product are clear, and we are marketing this product on the basis that it is the only method available of achieving a remote casing connection with the same integrity and capacities as premium casing couplings.

SUBSEA WELLHEADS

PYTHON SUBSEA WELLHEAD



Wellhead equipment is critical for the safe drilling and production of subsea wells. Long term performance and integrity are crucial,

due to the remote location of the wellhead. Plexus has therefore combined the safety and reliability benefits of POS-GRIP and HG sealing into a wellhead system which is robust and fully tested to meet the conditions expected in deepwater and HP/HT wells.

As well as offering the highest standards in safety and integrity, the Python subsea wellhead is designed to be simple whilst delivering instant casing hanger lockdown. Many conventional components are eliminated, resulting in enhanced reliability and fewer trips. Time savings during drilling are up to four days in shallow water, and up to 12 days per deepwater well, compared to conventional systems.

M2S SUBSEA WELLHEADS

M2S wellheads are designed to be jack-up deployed and enable the conversion of pre-drilled wells using mudline equipment to subsea production. M2S systems use POS-GRIP and HG sealing to provide many of the unique safety features and benefits of Plexus' other surface and subsea POS-GRIP products. M2S benefits from the adjustable nature of POS-GRIP to enable Mudline Tieback Tools to be easily re-connected to the mudline hangers before the strings are precisely tensioned and locked into place in the high pressure subsea wellhead housing. This saves time and reduces the risk of problems, to maximise value for our users.



POS-SET CONNECTOR

The POS-SET Connector is designed to re-connect to bare conductor pipe for well re-entry or permanent abandonment operations. It creates a solid connection with reliable sealing directly against the pipe, and

retains bend and load capabilities at 80% of pipe strength, for the safest possible re-establishment of well control.

POS-SET can accommodate large variations in diameter, wall thickness and ovality which can be experienced with conductor pipe, while creating a direct sealing and load-bearing interface. This wide window of operation means tieback problems are minimised, resulting in more cost-effective operations.



AT PLEXUS WE ARE COMMITTED TO PROVIDING OUR PEOPLE WITH THE KNOWLEDGE AND RESOURCES TO MAKE THE WORKPLACE A SAFE ENVIRONMENT, BOTH ON AND OFFSHORE.

SAFETY IS AT THE FOREFRONT OF WHAT WE DO AS PART OF OUR DAILY WORKING LIFE; IT IS A SHARED COMMITMENT BASED ON TAKING PERSONAL RESPONSIBILITY FOR OUR ACTIONS TO MAKE A POSITIVE IMPACT ON OUR ENVIRONMENT AND ON ALL OF THOSE AROUND US.



STAR
SAFETY

9

Case Study

During FY 2015 we were delighted to achieve the accreditation and approval by the Offshore Petroleum Industry Training Organisation ('OPITO') for our competency management system known as Competency@Plexus. OPITO is globally recognised and the accreditation is continually requested by our customers during tender and contract reviews

Star Safety is the global umbrella under which we communicate and promote all of our safety information and initiatives helping to support positive safety behaviours and keep safety at the forefront of everything we do.

We create transparency for safety issues, and a hands-on approach to safety leadership and behaviours. Through effective training, robust systems and processes, and a focus on continual improvement, we all live our safety culture.

Our QHSE system is certified to BS EN ISO 9001: 2008 and BS OHSAS 18001:2007 and we strive for continuous improvement through

staff, policies, procedures and the sharing of best practice and lessons learned. Recent audits by Lloyds Register Quality Assurance ('LRQA'), the world leading independent provider of Business Assurance services, demonstrate that we are operating to the recognised industry and national standards.

"Plexus' long-term goal is to develop POS-GRIP technology as a new industry standard for wellhead design"


PLEXUS HOLDINGS PLC ANNUAL REPORT 2015



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"AS A COMPANY WE PRIDE OURSELVES ON OUR MANAGEMENT AND ENGINEERING EXCELLENCE. I WOULD LIKE TO EXTEND THE BOARD'S GRATITUDE TO OUR DEDICATED WORKFORCE WHICH INCLUDES SOME OF THE MOST TALENTED OIL AND GAS ENGINEERS IN THE INDUSTRY TODAY."

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CEO MESSAGE

I am delighted to report another set of record financial results in terms of revenues, margins, and profitability. This performance is all the more impressive as it has been achieved during what has been, and continues to be a difficult trading cycle for the global oil and gas sector, driven by the significant fall in the oil price and related geopolitical circumstances. Despite the challenging backdrop, the year under review has been a transformational one for Plexus in terms of new strategic and product developments. We continue to develop the Company into a leading international wellhead engineering company supplying the best in class and safest wellhead equipment across exploration, production and subsea arenas, utilising our proprietary patented POS-GRIP method of engineering. As such we remain as confident as ever in the

superior nature of our technology and the important role it will play in the coming years, not only in our traditional European market, but globally as we look to continue to increase our international footprint. Following this strong performance, we are pleased to report a 182% increase in the final dividend to 1.75p per share which includes a special dividend payment to deliver an additional return to shareholders supported by our current strong cash position.

"Our proprietary POS-GRIP wellhead systems meet the critical safety and performance demands required of wellhead technology across all pressure spectrums. As exploration and production of oil and gas continues to pursue ever deeper and more complex formations, particularly for HP/HT environments, the need for innovative, safe and effective wellhead

technology is being increasingly recognised by both regulators and operators. However conventional technology has known limitations and we maintain that for a variety of technical reasons wellheads have been, and continue to be the weak link in the well architecture chain which I believe needs addressing.

"Specifically there is a massive divide between qualification test standards to which wellheads and their casing hangers (the last connection of the casing pipe) and annular seals have historically been held by common industry test standards as compared to those required for premium casing couplings, (notwithstanding that both products effectively do the same job in a well). Further our design makes the casing hanger a much simpler object, which rather than being made up of as many as twenty parts is made

from a single piece, significantly reducing the number of installation steps required by conventional systems. Therefore on the basis of current test standard levels, all subsea annular seals currently used in the market are a weak link, and one that in subsea applications is never truly tested after installation, and which furthermore has no means of monitoring for integrity and remedial intervention.

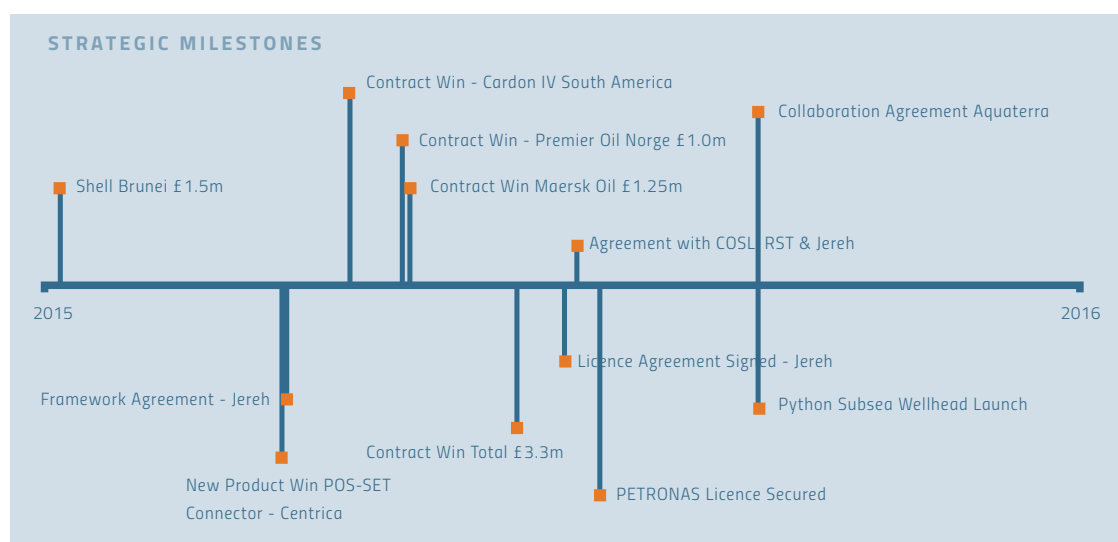
"For these reasons it is very pertinent and topical for us that the recent Volkswagen 'emissions rigging' scandal has thrown a spotlight on the veracity of laboratory test standards. This developing story supports what I have been saying for a long time and demonstrates to me that when test standards and operating conditions move beyond what technology can achieve, then managers and engineers will conspire to artificially meet such standards so that qualification tests can be passed with inferior solutions, or indeed industry then lobbies to have test

standards set at levels to which they can comply, even if not applicable to 'real world' conditions.

"I maintain that in the oil and gas industry key standard setters have managed to do both where wellheads and wellhead seals are concerned. Firstly they managed to convince the regulator that casing hangers and their seals only need three temperature and pressure cycles to be proven suitable for use forever and a day. Conversely, as operating conditions have moved onto HP/HT conditions, casing coupling (under pressure of end users), have now advanced to more than 1,700 test cycles. Secondly, casing hangers and annular seals are tested in fixtures which have no connection to 'real world' conditions. Rather than testing the full assemblies as a system, annular seals are allowed to be qualified as a single component, in specially configured fixtures, which eliminates movement and without any axial and bending loads being applied during pressure cycle testing

as happens in the field. It is therefore disappointing that operators are planning to rely on these absolutely critical seal systems in subsea applications that may in the future operate under 20,000 to 30,000 psi gas pressures. The importance of meaningful and realistic testing was underlined recently by Sir James Dyson who was quoted as saying, "It seems that industry is rife with manufacturers engineering to find their way around tests, rather than engineering better, more efficient technology. This behaviour is seriously misleading customers". This statement is of course in relation to a consumer product and its relative performance, whereas in our industry we should be placing safety and the environment first and foremost, which should lead to the genuine desire to only use the best and safest available technology.

"The significant time and cost savings that we can deliver are of course extremely relevant to a trading environment where





operators are looking to drive down the costs of new projects by 20-30%. This means that at the surface and subsea, POS-GRIP technology simply sets a standard no other wellhead technology can match. Encouragingly it has been reported that following the Volkswagen incident European regulators want to bring in real world tests by 2018 that look at emissions from cars on the road, rather than in laboratories, and I believe that the oil and gas industry regulators should be taking a similar stance in relation to wellhead seal test standards and methodology. Perhaps the regulators are finally beginning to realise, as a journalist recently reported, that artificial outcomes often start in laboratories, and the gap between a well-designed test and reality need not be huge, but bright

minds will soon find out how to arbitrage the two. To this end it is positive that standard setters are beginning to recognise that new standards are required to address the new more challenging drilling conditions and enhanced regulatory scrutiny, and we believe that we are already in a position to meet these in a way that conventional wellhead designs cannot.

"In tandem with positioning Plexus as the supplier of choice in the standard pressure and HP/HT exploration markets in Europe, we have also been highly active during the past year in beginning to more actively market our products into new operating regions in line with our strategy to significantly increase the global reach of our wellhead equipment, offering significant growth

opportunities. In line with this and following the establishment of our Malaysian and Singaporean hubs, we have substantially built on our existing position in the Asian region where we have achieved a number of significant milestones throughout 2014 and 2015.

"Post-period end in July 2015 we had a flurry of activity starting with the signing of a pivotal licencing agreement with Yantai Jereh Oilfield Services Group Co., Ltd ('Jereh'), a leading Chinese oil services provider to facilitate the rental, sale, and manufacture of our wellhead equipment into the important Chinese, wider Asian, Brazilian, Indian and Middle Eastern oil and gas markets. I see this latest agreement as an important building block for the transition of Plexus from being a niche supplier of specialist rental exploration wellhead equipment into the main stream volume market, allowing us to engineer and manufacture our best in class high standards whilst capitalising on being able to reduce operator's costs. Alongside this first major licencing agreement a share subscription agreement was also entered into, and another entity in the Jereh Group subscribed in July post period end for 5% of the issued share capital of Plexus for a consideration of £8.04m.

"This was closely followed by a collaboration agreement with China Oilfield Services Limited ('COSL') a major integrated oilfield service solution provider which is

majority owned by Chinese state owned company CNOOC Group, Red Sea Technologies Ltd, a leading oilfield design and services company in South East Asia, and Jereh. This will see all parties explore commercial opportunities for shallow water subsea and crossover wellhead production systems for oil and gas field activities in China.

"The importance of China and Chinese trading partners has of course been brought into sharp focus during the recent five day visit in September to China by George Osborne who declared that the UK should not be running away from

partnership enters the second decade this year, let us seize the opportunity, and work together to usher in an even brighter future for China-UK relationship". For such reasons I am very excited about our new relationship with Jereh which only commenced in July, and I am confident that Jereh's considerable manufacturing and commercial skills will blend well with our technology to create considerable value for both companies over the coming years.

"A third Asian development at the end of July 2015, was the announcement that we had secured in August 2014

placed to continue to increase our global reach.

"I am especially proud to report on the launch of our new Python subsea wellhead at SPE Offshore Europe Conference & Exhibition 2015 ('OE2015'), Europe's biggest oil and gas trade show. This was the result of over four years of research and development supported by our Joint Industry Partners, BG, eni, Royal Dutch Shell, Maersk, Total, Wintershall, Tullow Oil, Senergy, and Oil States Industries Inc. The new Python Subsea Wellhead has been designed to address key technical issues and requirements highlighted by regulators following the GOM incident in April 2010 and to achieve a new best in class standard for subsea wellheads. Entering the global subsea market has always been part of our strategy to expand the Company's suite of POS-GRIP wellhead equipment into larger fast growing markets. Subsea exploration and production has grown rapidly since 2000 in terms of total expenditure from USD\$7billion to approximately USD\$45billion in 2014. According to a report by Rystad Energy in May 2014 this strong growth is expected to continue, with subsea expenditure forecast to grow by an annual rate of 15% to USD\$115 billion by 2020, making it a highly attractive market, and one that demands new technology and engineering solutions. We anticipate that our ground-breaking technology, as it moves from prototype

"The year under review has been a transformational one for Plexus in terms of new strategic and product developments."

China, that Britain should be "China's best partner in the West", and that we should "create a golden decade for both of our countries". I certainly echo those sentiments and this month's milestone state visit by the Chinese President Mr Xi Jinping further underlined the scale of these opportunities when the President said "As an old Chinese adage goes, opportunity may knock just once; grab it before it slips away", and that as "China-UK comprehensive strategic

a local Petronas licence to supply our POS-GRIP equipment in Malaysia through PPA. As a result of these three major strategic moves, and on-going relationship building initiatives in other areas of regional importance such as the Gulf of Mexico ('GOM') and Russia, (where in the coming years, and of course subject to sanctions the Arctic will become very important requiring the very best and most convenient wellhead sealing technology) I believe that we are ideally



to product will be ready for offshore deployment in a trial well during the second half of 2016 and we look forward to updating the market further.

"Finally as a Company we pride ourselves on our management and engineering excellence. I would like to extend the Board's gratitude to our dedicated workforce which includes some of the most talented oil and gas engineers in the industry today. Without our team we would not be able to win milestone contracts where only the best equipment will suffice such as with the recently announced £3.3m contract with Total for the Solaris well offshore Norway for which our technology was specifically chosen, and which is thought will be the highest pressure well ever drilled in the North Sea at up to 17,000 to 19,000 psi. The future opportunities for Plexus, in both our core markets and with ancillary new POS-GRIP developments such as our POS-SET

Connector for the decommissioning market, are clearly exponential and we believe that we will continue to attract new customers worldwide either directly or through licensees as the wider industry places increasing emphasis on the development of HP/HT reserves. I look forward to

updating our valued shareholders on our latest organic and strategic developments throughout the rest of 2015 and beyond."

BEN VAN BILDERBEEK
CHIEF EXECUTIVE
 27 October 2015



CHAIRMAN'S STATEMENT

BUSINESS PROGRESS

I am pleased to report that despite challenging trading conditions the Group delivered an excellent set of results whilst making strong progress in terms of operational, financial, and strategic developments. This performance resulted in a 5.6% increase in revenue to £28.53m for the year to 30 June 2015 (2014: £27.02m) with the UK and European revenues increasing by 49.2%; a 5.7% increase in EBITDA to £9.53m (2014: £9.02m); a 10.5% increase in profit before tax to £5.94m (2014: £5.38m); and a 18.8% increase in profit after tax to £5.43m (2014: £4.57m) helped by a lower effective tax rate, delivering a 17.5% increase in basic earnings per share of 6.40p (2014: 5.44p). Such key financial performance indicators are of course only part of the progress made during the

financial year and I am also delighted to say that this period and post period end were the most active since we were admitted to the London AIM market, and have laid firm foundations for our future expansion both geographically and in terms of new product development. It is clear to me that industry interest in our proprietary POS-GRIP friction-grip method of engineering is increasing in tangible ways beyond our traditional organic jack-up exploration rental wellhead business. Examples of such exciting initiatives which I will expand on include BG joining our Python subsea wellhead JIP; first contract for our new POS-SET Connector product to facilitate decommissioning and abandonment; securing of a major licensee in China (Jereh); a collaboration with COSL for the development and supply of a shallow subsea wellhead for China;

the securing of a Petronas licence to enable the supply of equipment in Malaysia; entering into a collaboration with Aquaterra for the supply of HP/HT marine risers; and importantly the official launch of our new Python subsea wellhead at OE2015 last month in Aberdeen.

OVERVIEW

The 2015 financial year has seen Plexus achieve a number of significant milestones, not least, in terms of establishing strategic partnerships and investing time and resources into research and development for new product innovation, which we believe will help us further cement our position as the best in class supplier of wellhead equipment to the oil and gas industry, not just for jack-up exploration but also in due course for surface production and

CHAIRMAN'S STATEMENT

"IN ADDITION TO SETTING OUR SIGHTS ON ASIAN, RUSSIAN AND CIS EXPANSION IN THE NEAR-TERM, WE ARE ALSO LOOKING TO THE AMERICAN AND GOM MARKETS AS PART OF OUR LONGER-TERM STRATEGY FOR GROWTH ACROSS EXPLORATION, PRODUCTION AND SUBSEA".

subsea. This progress however cannot be considered in isolation, and it is important to note that the various macro and geopolitical negatives that we identified this time last year persist, not only in terms of the much reduced oil price but also in terms of reduced operators capex spend and consumer demand levels.

Since our admission to AIM at the end of 2005, Plexus has grown in terms of revenues and profitability through our POS-GRIP surface exploration jack-up wellhead rental business model. This growth has been supported by necessary on-going investment in R&D, personnel, rental wellhead inventory, and infrastructure both in the UK and increasingly worldwide where we are looking to grow sales beyond our traditional North Sea

market. Our surface exploration offshore wellhead customer base continues to grow, and includes many of the world's largest global oil and gas companies to which we added new customers Total and Cardon IV (a 50:50 JV between Repsol and eni) during the year. Of these oil and gas companies we have serviced over 400 wells globally offering our customers standard pressure wellheads and HP/HT wellheads, and we estimate that we hold a c.10% market share of the c.USD\$400m global jack-up exploration market, as compared to the vast majority of the markets in the North Sea which underlines the significant growth opportunity within this arena. Our recognition of the importance of investment, and in particular R&D, and the willingness to commit to it clearly

demonstrates our confidence in the superior nature of our POS-GRIP technology and its ability to become a new global standard.

In terms of rental sales and revenues for the financial year, we have been focussed on expanding beyond our traditional UK North Sea market, winning more contracts in Europe and pursuing new business opportunities in Africa, Australia, North America and Asia. Our sales mix illustrates the continued importance of both the UKCS and the European Continental Shelf ('ECS') in the North Sea where sales to offshore Norway, the Netherlands and Denmark were particularly strong and increased by 53.1%, 89.3% and 1,217% respectively compared to the same period in the prior year. We believe that the tax structures for example in Norway encourage exploration drilling as a result of allowances available where 'dry' wells are concerned. With Brent Crude trading at circa USD\$50 per barrel, following publication of the Wood Review, we hope that the latest tax incentive changes in the UKCS, as announced in the UK Government's 2015 Budget which outlined measures worth £1.3bn over five years aimed at boosting flagging North Sea oil production by 15% by the end of the decade, will have a similar positive impact which Plexus will benefit from. HP/HT equipment revenues continued to account for over 85% of all sales and, as such field conditions are the most technically challenging,

demonstrates the technical advantages offered by our proprietary POS-GRIP friction-grip method of engineering and wellhead equipment design.

As well as the significant contract wins for our POS-GRIP surface exploration jack-up over the period, the two other areas where we have invested significant time and resources over the past year is our continued expansion into Asia, and on-going product innovation which saw us enter a new lucrative market post period end following the launch of our uniquely superior Python Subsea Wellhead which addresses a number of issues identified following the Gulf of Mexico incident in 2010. Our Asian expansion has been demonstrated over three significant news events which have been explained by our CEO Ben Van Bilderbeek in his CEO commentary. Most notably was the post period end signing of our first licencing agreement with a major Chinese oil and gas field services company Jereh in July 2015. Licencing has been central to Plexus' growth strategy as a way to penetrate the global market whilst maintaining our best in class service, brand reputation and indeed strong patent protection where we have a growing patent suite in place to protect our POS-GRIP friction-grip technology.

Plexus and Jereh, a world-class supplier of oil and gas field equipment and services with a market cap of c. USD\$4bn, operating in more than 60 countries, share the ambition of delivering oil and gas drilling equipment and services, which are best in class in terms of safety, performance and reliability. By incorporating our patented POS-GRIP technology, the licencing agreement will push the boundaries in terms of wellhead performance and safety standards to facilitate

"Secured our first contract for our new POS-SET Connector product to facilitate decommissioning and abandonment"

the rental, sale, and manufacture of Plexus' wellhead equipment into the major Chinese, wider Asian, Brazilian, Indian and Middle Eastern oil and gas markets. This relationship will be focused not just on rental wellhead exploration activities, but also on surface production and shallow water subsea, and connectors. In terms of positive market growth opportunities, according to Infield, the energy analysts, China and wider Asia is in the process of implementing the largest regional offshore capital expenditure programme for oil and gas

activities which, from 2012 to 2018, has been estimated to amount to USD\$146bn. Indeed not so long ago Infield indicated that operations in Asia are increasingly moving exploration and production into deeper waters in a bid to boost oil and gas production, and that as a result Malaysia, Indonesia, India, and China are becoming major subsea industry hotspots attracting a range of operators from national oil companies such as CNOOC and ONGC, to international oil companies such as Shell and Chevron. As such whilst we will continue to expand our global presence we believe this licence agreement can over time generate substantial revenues from the partnership with Jereh, who have an exceptional track record as licensees for major partners around the world.

In line with our Asian expansion we were also delighted to report the formation of a new Malaysian company PPA in conjunction with a local Malaysian oil and gas partner, IPS. PPA was formed to create a fully operational Plexus Asian business hub with the aim of supplying POS-GRIP wellhead equipment and services to the Australian, Brunei, Indonesian, Malaysian, Thai, and Singaporean oil and gas exploration and production markets. This was signed in August 2014 and as further progress have since been

"The organic jack-up rental business is now being focused on Asia, Russia and potentially North America"

granted a local Petronas licence post period end to manufacture and supply Plexus' POS-GRIP wellhead equipment. The securing of such a licence has been viewed as a major milestone for our company and we believe this will position us well to secure additional business and contract wins in this region.

In addition to our international expansion plans a defining moment of Plexus' year was the launch of the Python Subsea Wellhead during Europe's biggest Oil and Gas trade show, OE2015, in September

2015. The Python launch was attended by Fergus Ewing, the Scottish Minister for Business, Energy and Tourism where he stated, "this new technology will allow oil and gas companies around the world to increase the safety and reliability of their operations and it is a great testament to the skills and knowledge of Ben Van Bilderbeek and his team". The Python Subsea launch had been supported by Plexus' joint industry partners which include BG, eni, Maersk, Royal Dutch Shell, Total, Wintershall, Senenergy and Tullow Oil. Interestingly it was the

industry that came to Plexus post the 2010 Macondo disaster to ask us to help design a safer, new best in class standard for subsea wellheads. The patented POS-GRIP friction-grip method of engineering offers 'instant casing hanger lockdown' and is used to secure hangers with HG Seals which provide direct, metal-to-metal, weld-quality, high integrity sealing. Many components used in competing conventional subsea wellhead designs such as lock rings and wear bushings are eliminated, resulting in enhanced reliability and fewer installation trips to the sea bed by seven to ten trips on a complex well which will likely save operators using the Python Subsea wellhead between USD\$2-10m per wellhead. Python's formal launch marked the first commercial availability of our POS-GRIP enabled subsea wellhead system, and Plexus is



Case Study

MOVING INTO SUBSEA

In September 2015, we launched our simple and technologically superior POS-GRIP Python Subsea Wellhead. The patented technology was engineered to achieve best in class and safest standard for subsea wellheads with features that also reduce costs and deliver operational efficiency for operators. The patented technology was in development for four years prior to its launch, in response to the Gulf of Mexico incident that occurred in 2011 and developed as a joint industry project supported by international oil majors including BG, eni, Maersk, Oil States Industries, Royal Dutch Shell, Senergy, TOTAL, Tullow Oil and Wintershall and Plexus anticipates that Python will be ready for offshore deployment in a trial well during the second half of calendar year 2016.

confident that Python will be ready for offshore prototype deployment in a trial well during 2016, where the next steps will be finding an operator to secure this first deployment.

Further to the launch of our Python Subsea Wellhead and expansion into new target markets, we have also been working on the extension of POS-GRIP friction technology and other new product areas. These products include: a low cost wellhead system for the volume production market - WellTree™ which we are currently working on with Jereh; this is in addition to products such as the HP/HT Tie-Back connector where we previously signed a joint industry project with Maersk, which for the first time allows the reconnection of production casing to HP/HT exploration and production wells which is now being marketed; the new POS-SET Connector which is designed to enable operators to re-establish a connection onto rough conductor casing for the abandonment market, where the market for permanent plugging and abandonment of wells is increasing in the North Sea and beyond and could be an important new revenue stream for the Company; and the recent agreement with Aquaterra to jointly supply HP/HT dual barrier marine risers utilising Plexus' POS-GRIP technology to provide a safer, technically superior and cost efficient solution for the use on jack-up rigs. All of these product innovations are in line with Plexus' strategy to extend our POS-GRIP product reach into new

and commercially attractive markets.

In tandem with securing strategic partnerships for future international growth and new product development, the continuing communication of our unique offering is equally as important to Plexus' future success. The Board, management team and dedicated engineers invest significant time into communicating and educating the wider oil and gas industry. Such activities included attending and presenting at the 'World Oil HP/HT Drilling and Completions Conference' in Houston, Texas, and in London at the 'Oil and Gas IQ "HP/HT Wells Summit 2014 and 2015', as well as important events such as the St Petersburg International Economic Forum in June, and the Beijing China International Offshore Oil & Gas Exhibition in March.

STAFF

On behalf of the Board, I would like to thank all our employees for their dedication and hard work during another successful year. This has not only delivered another set of record financial results, but has importantly taken us into the subsea market with the launch of our new Python subsea wellhead at OE2015 in September 2015, and will in the near future accelerate our goal of also becoming a major supplier to the surface production wellhead market. Such efforts by all our staff contributed to Plexus achieving a significant milestone with the award, post period end, of the

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CHAIRMAN'S STATEMENT

globally recognised OPITO approval for our Competency Management System ('CMS') known as Competency@Plexus. This is a qualification that our customers request during the tender and contract review process, especially in response to the findings from the Deepwater Horizon incident in 2010. Furthermore in September 2014 I was delighted to see that our team's efforts led to Plexus winning the "Commitment to Innovative Use of Research and Development" award at the Northern Star Business Awards 2014. Such work underpins the on-going development and application of our proprietary friction-grip method of engineering. I would also like to welcome as a non-executive director Charles Jones who joined the Board in September 2014 and who will be advising Plexus in respect of

interacting with US oil and gas operators and service companies, industry bodies, and regulators, particularly in relation to the subsea arena.

OUTLOOK

I remain confident about the major growth opportunities available to Plexus and our on-going ability to market our proprietary POS-GRIP based wellhead equipment as a new and superior standard for the industry. We are in no doubt that we can ultimately penetrate all wellhead markets from surface to subsea, both organically and in conjunction with partners and licensees around the world. Notwithstanding our year on year growth and indeed record FY 2015 financial results, FY 2016 trading conditions are more

challenging given the significant reduction in the oil price and related on-going economic pressures which surround the oil and gas industry and the support services underpinning it, and this cannot be ignored. This is especially the case in the UK North Sea which traditionally has been an important market for us, and as recently as September 2015 Oil and Gas UK reported that "exploration for new resources has fallen to its lowest level since the 1970s" and that capital expenditure will probably decline by £2bn to £4bn annually to 2017. Looking forwards, the UK North Sea should not be written off just yet. Last year's Wood Review of the North Sea estimated that there were still between 12bn and 24bn barrels of oil that could still be pumped in UK territorial waters compared to 45bn

barrels of crude extracted to date – logic dictates there is much drilling activity to come.

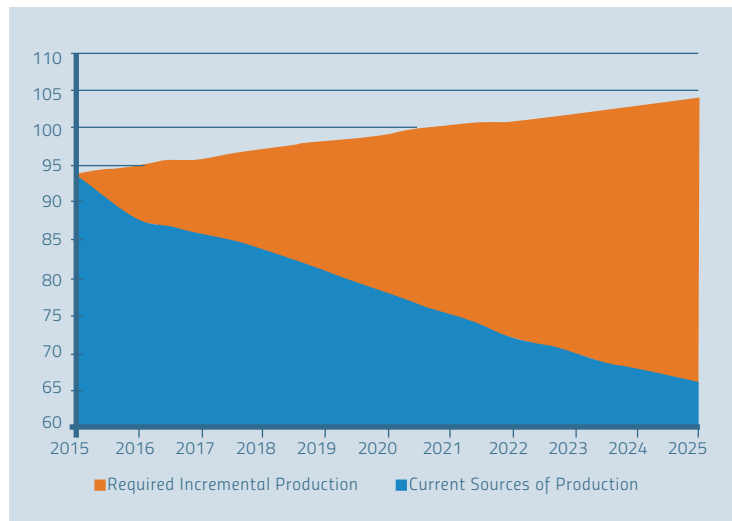
More encouragingly in recent weeks there has been a more positive sentiment with regards to oil price forecasts from a number of sources including UBS Wealth Management and Barclays. Only this month a Barclays analyst report argued that with prices at their current historic low levels, energy companies will not be sufficiently encouraged to continue to produce oil, and with “capex expected to fall 20% globally in 2015 and a further 5-10% in 2016, the stage is set for a supply crunch”, meaning that after “some excess stocks are used up in 2016 and 2017, we believe the price appreciation seen thereafter is likely to be permanent”. Such sentiment is further endorsed by the industry itself, with Shell CEO Ben van Beurden declaring

“Aberdeen operational headquarters doubled with the acquisition in Sep 2014 of a circa 36,000 sq.ft work shop and office facility”

recently that the world faces an energy crisis unless investment in fossil fuels production is maintained because of the dramatic increase in demand that will come from 3bn people emerging from poverty over the next few decades.

SUPPLY GAP: MILLIONS BARREL OIL EQUIVALENT A DAY

Source: EIA estimates, April 2015



Speaking to shareholders in The Hague Mr van Beurden said we “will need sustained and substantial (oil) investment to support economic growth” and that the world could face a catastrophic 70m barrel per day shortfall in crude by 2040. According to the International Energy Agency who said global energy demand will increase by 40% through to 2040, and an influential Exxon report

strategies would certainly be favourable in terms of the growth outlook for Plexus, and indeed the wider oil and gas sector as a whole as exploration drilling activity would inevitably increase.

Our vision is to become a leading international oil and gas wellhead and related equipment engineering company, supplying the best in class and safest POS-GRIP wellhead equipment for exploration, production and subsea applications around the world. In a global market dominated by a few large multi-national oil service and wellhead supply companies, Plexus reputation is growing, and the awareness of our ability to meet the demand for and provide critical innovative solutions required from wellhead technology, particularly for HP/HT applications is evidenced by a number of important collaborations that we entered into over the last twelve months. As extracting hard-to-reach oil and gas goes deeper and becomes more complex, innovative,

safe and effective wellhead technology is ever more important, and indeed essential, particularly for locations such as the Arctic where safety is paramount, and where wellheads cannot afford to be the weak link in the system.

With this vision in mind, the expansion of the organic jack-up rental business is now being focused on Asia, Russia and potentially North America, including fostering licensing agreements with the likes of Jereh. Whilst our rental sales showed an increase during the last financial year in terms of European and Asian sales, our next areas of geographic focus will be Russia and the CIS countries where I believe significant opportunities exist for Plexus' equipment and technology, particularly in the Arctic where the selection of new, enabling and safer technology will be paramount. The scale of the

Arctic opportunity is enormous, and this was clear to see from a recent report for the Secretary of Energy in Washington by the US National Petroleum Council in March 2015 titled "Arctic Potential – Realizing the Promise of U.S. Arctic Oil and Gas Resources" which highlighted two important statistics. Firstly that most of the Arctic offshore oil and gas potential lies in water depths of less than 100 metres, and that the Russian Arctic shelf is even shallower. Secondly, that when analysing the global arctic conventional oil and gas resource potential by country in terms of "billion barrels of oil equivalent", Russia towers above the other major players. In terms of ranked estimated billions of barrels Russia was estimated at a massive 287, USA 94, Greenland 39, Canada 34, and Norway 25. I believe the opportunity is additionally compelling

given the high profile import replacement programme that is currently underway in Russia, and where last November Vladimir Markov, the head of gas giant Gazprom was quoted as saying that within the next two to three years "we can substitute up to 90% of all imports, considering the government has begun developing production of its own complex equipment".

In addition to setting our sights on Asian, Russian and CIS expansion in the near-term, we are also looking to the North American and GOM markets as part of our longer-term strategy for growth across exploration, production and subsea. This longer-term strategy will be boosted by our active presence in Houston where we have appointed a new USA non-executive director to the Board, Charles Jones, who has over 30 years of senior management and board experience in the US





energy sector, and have also recently engaged the services of Mr Lawrence Rucinski, who previously held the position of Director, Sales and Marketing for the Global Subsea business of FMC Technologies Inc., and will actively promote our technology to American operators. Both Charles and Lawrence will be advising and assisting the Plexus team in relation to potential US commercial and licencing partners.

As well as expanding Plexus through new regional opportunities, as already stated new product innovation is just as central to our growth strategy. We therefore look forward to updating shareholders on

these new product developments and marketing initiatives which include the launch of the new and superior Python subsea wellhead; our surface production wellhead WellTree; HP/HT Tie-Back JIP connector; and the new POS-SET Connector. To support such future initiatives, and as an indication of our confidence in the future we doubled the size of our Aberdeen operational headquarters with the acquisition in September 2014 of a circa 36,000 sq.ft work shop and facility from Baker Hughes for £2.4m.

For the reasons outlined in my statement, despite widely reported on-going

challenges for the industry I am confident of Plexus' long term future prospects and our ability to deliver significant shareholder value from our patented POS-GRIP technology. I would like to extend my gratitude to my fellow Board members, Plexus management team, office support and our excellent engineers, without whom, our significant progress to date would not be possible.

J JEFFREY THRALL
NON-EXECUTIVE
CHAIRMAN

27 October 2015

"At the surface and subsea, POS-GRIP technology simply sets a standard no other wellhead technology can match."

PLEXUS HOLDINGS PLC ANNUAL REPORT 2015

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STRATEGIC REPORT



"POS-GRIP technology is being increasingly recognised by the industry, and the various initiatives and agreements that we entered into during the year clearly support our view that the POS-GRIP friction-grip method of engineering technology has many more applications beyond our traditional organic jack-up exploration activities, in particular subsea."

PRINCIPAL ACTIVITY

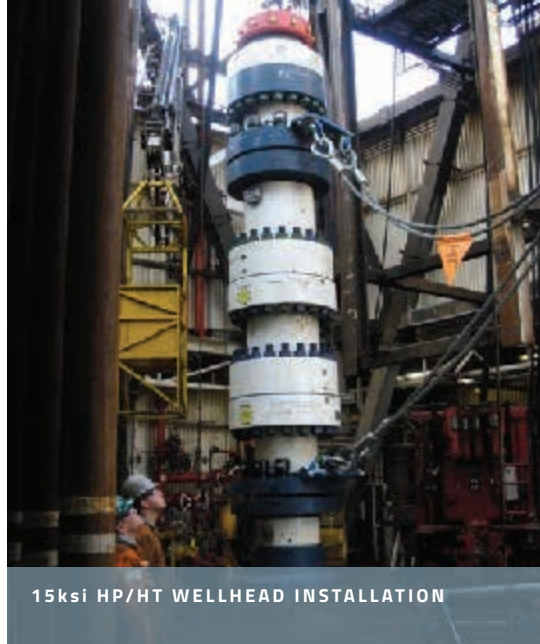
The Group markets a patented method of engineering for oil and gas field wellheads and connectors, named POS-GRIP, which involves deforming one tubular member against another within the elastic range to effect gripping and sealing. This superior method of engineering for wellheads offers a number of important advantages to operators, particularly for HP/HT applications and can include improved technical performance, improved integrity of metal seals, significant installation time savings, reduced operating costs and enhanced safety. Revenues predominantly derive from the rental of POS-GRIP wellheads for jack-up exploration, although the range of commercial and safety benefits of POS-GRIP also apply to surface production and subsea wellheads which are significantly bigger market sectors which

Plexus is now actively pursuing organically and with international partners such as Jereh, China. The Directors believe that the Company's proprietary technology has additional wide ranging applications both within and outside the oil and gas industry.

FINANCIAL RESULTS

Revenue

Revenue for the year was £28.53m, up 5.6% from £27.02m in the previous year. The growth in sales was supported by a number of on-going and new contract wins both from existing and new customers around the world. Geographically, a particularly strong year on year performance was seen in Europe excluding the UK which grew 110% as compared to the UK North Sea which grew by 7% and accounted for 37.2% of total



sales, an increase of 7.1% on the prior year. It is relevant to note that the UK North Sea has experienced a slowdown in activity, and as highlighted last year in the Wood Review there is a need for additional incentives to encourage the pursuit of remaining oil and gas reserves which last year the Office of Budget Responsibility estimated as up to 24bn barrels remaining equating to 30-40 years of production.

The rental of exploration wellhead and related equipment and services again accounted for approximately 95% of revenue reflecting the fact that the Company's organic business model is focused on the supply of jack-up rental surface exploration wellhead equipment and services. Looking to the future the Company's adopted strategy is to broaden its wellhead equipment product range to begin to address the surface production, subsea, and decommissioning markets both in the North Sea and internationally. Plexus' wellhead designs are already proven for production wells, a significantly larger market than jack-up rental exploration. The global jack-up drilling market is relatively small at c.USD\$400m, whereas the global wellhead market is estimated at USD\$4.5bn. Importantly we launched last month our new Python subsea wellhead following an extensive and successful test programme and where we anticipate having a prototype in the field some time in calendar year 2016. HP/HT rental equipment and related service continued to account for the majority of sales revenues, rising to £25.23m up from £23.30m last year, an increase of 8.3%, and accounted for 88.4% of total sales, compared to 86.2% in the prior year. The



growth in HP/HT revenue resulted from contracts for a number of existing and new customers including Statoil, Maersk, GDF Suez, and ConocoPhillips. Standard pressure equipment sales increased by 13.3% to £1.94m from £1.71m in the prior year, and accounted for 6.8% of total sales. Sales relating to services provided to support existing production wellhead installations totalled £0.10m compared to £0.35m last year. This year revenues of £0.02m were generated by engineering and testing compared to £0.37m last year with the balance of revenues made up of £1.24m for rebillable expenses compared to £1.29m last year for items such as freight, shipping and equipment hire. Despite the widely reported cyclical downturn driven by the major fall in oil and gas prices, we continued to invest for the future and increased our capital expenditure on rental assets to £2.53m as compared to £2.32m in the prior year, a year on year increase of 9.1%.

Margin

Gross margins have slightly reduced at 69.9% (compared to 71.1% in the previous year) as a result of lower margin mudline equipment sales and contract mix. The majority of rental activity sales continued to be HP/HT which deliver higher margins than lower pressure equipment contracts.

Overhead expenses

In line with the increased level of sales activity and the incurring of increased overhead associated with the build out of an international growth strategy, particularly in relation to Asia where year on year revenues increased 22.4%, total overheads increased to £14.93m from £13.93m in the previous year. The additional overhead relates to additional infrastructure and personnel to support the organic business and the additional activities surrounding and supporting new product development and investment. Increased overhead spend was able to be controlled relative to sales and accounted for 52.3% of revenues compared to 51.5% for the prior year. Overhead staff costs reduced to £7.53m from £8.17m partly due to related R&D allocation and reduced bonus levels, whilst the employee headcount at the year-end was 157 compared to 144 for the prior year, an increase of 9.0%. Other items which increased year on year as a result of the increased activity levels, staff increases, and expansion of infrastructure were contract staff, training, health and safety, overseas base costs, advertising and marketing, professional fees, and travel and subsistence.

EBITDA

EBITDA for the year (before IFRS 2 share based payment charges of £0.02m) was £9.53m, compared to £9.02m (before IFRS 2 share based payment charges of £0.03m) the previous year, an increase of 5.7%. EBITDA margin for the year was consistent at 33.4% as compared to 33.4% last year. The EBITDA performance is the result of maintained operational efficiencies, coupled with the higher margins associated with HP/HT rental activity where the proprietary nature of the Plexus POS-GRIP friction-grip technology enables Plexus to deliver superior performance in terms of enhanced safety, time savings, and operational efficiencies. EBITDA is calculated as follows:

	2015 £'000	2014 £'000
Operating profit	5,020	5,279
Add back:		
– Depreciation	3,070	2,748
– Amortisation	811	657
– Loss on disposal	20	95
– Share based payments charges	21	26
– Share of profit of associate	236	215
– Gain on disposal of associate	352	–
– Rounding	1	(1)
EBITDA	9,531	9,019



Profit before tax

Profit before tax increased to a record £5.94m compared to a profit last year of £5.38m, an increase of 10.5%. This increase has been achieved after absorbing higher depreciation and amortisation charges of £3.88m, up from £3.40m last year, the largest component being depreciation of rental assets which increased by 2.2%, reflecting the continued investment in Plexus' wellhead rental inventory. Share of profit of associate contributed £0.24m and the disposal of the associate provided a gain of £0.35m while finance income includes a gain of £0.51m relating to the derecognition of a financial liability. The profit before tax is stated after an IFRS 2 charge for share based payments under reporting standard IFRS 2; the charge for the full year is £0.02m compared to £0.03m last year.

Tax

The Group shows an income tax expense of £0.51m for the year as compared to £0.80m for the prior year. The Group has an effective tax rate for the year of 9% (2014: 15%) which is below UK corporation tax rates. The effective rate of tax was lower due to a reduced tax charge arising as a result of SME enhanced R&D tax credits, which arise from the Group's significant R&D programme. Following the preparation of the prior year's financial statements Plexus engaged external consultants to assess the level of the R&D claim that could be made for the 2014 financial year. This resulted in a higher level of claim being made than anticipated. As a result a credit of £393k is recognised in these financial statements as an adjustment



in respect of prior year's tax charge. Excluding this amount would have increased the effective tax rate to 15% (2014: 11% measured after amending for adjustments in respect of prior year's tax charge).

It is currently anticipated that for the foreseeable future, the Group will continue to report an effective tax rate that is lower than the prevailing UK corporation tax rate. This lower effective rate will depend upon the continuing eligibility to claim enhanced R&D tax credits as part of the on-going R&D programme and the expected potential reductions in tax rates arising from the Patent Box tax regime.

The prior year tax charge has been restated by £475k relating to a tax credit arising on the exercise of share options. This credit was originally recognised in the Consolidated Statement of Comprehensive Income whereas, in accordance with IAS 12 Income Taxes, the amount should have more appropriately been recognised directly in Equity. Full details relating to the restatement are disclosed in note 2 to the financial statements.

EPS

The Group reports basic earnings per share of 6.40p compared to 5.44p in the prior year, an increase of 17.5%.

Cash and Statement of Financial Position

The statement of financial position reflects the investment in operations during the year and in particular on-going capital expenditure. The net book value of property, plant and equipment including items in the course of construction increased to £17.15m compared to £13.28m last year. Capital expenditure on tangible assets increased to £7.02m compared to £3.02m last year including the acquisition of a 36,000 sq.ft work shop and office facility in Aberdeen in September 2014 for £2.40m. The net book value of intangible assets, including IP rights and R&D, increased by 26.1% to £13.17m compared to £10.44m last year. Capital expenditure on intangibles totalled £3.54m compared to £2.40m last year, an increase of 47.5%, of which importantly 68.3% related to additions in respect of the Python subsea wellhead JIP. Receivables increased to £7.30m compared to £6.46m last year. Net borrowings closed at £2.95m (bank loans of £6.28m less cash and cash equivalents of £3.33m) compared to net cash at bank of £2.35m last year (cash and cash equivalents of £6.35m less bank loans of £4.00m) reflecting net cash outflow for the year of £5.30m (net decrease in cash of £3.02m per Statement of Cash Flows plus net increase in bank borrowings of £2.28m). This closing cash position was after absorbing a near doubling of total capital expenditure of £10.56m (2014: £5.42m) of which £3.02m related to the additional work shop and office facility, and disposing in June a 25% shareholding interest in a private UK

oil and gas equipment manufacturing and engineering company based in Scotland for £1.5m cash. The Group's cash position changed materially post period end with the subscription by Jereh for new ordinary shares representing 5% of the issued share capital of Plexus for circa £8m net of expenses as part of the terms of the Licencing Agreement transaction also entered into post period end with Jereh. Post period end, the Group's bank facilities have been renewed with Bank of Scotland Corporate and comprise £6m working capital lending facilities, and a £1.5m five year term loan which was entered into during the last financial year to part fund the acquisition of the additional Aberdeen facilities and which currently stands at £1.275m. These facilities combined with cash balances are anticipated to be adequate to meet on-going capital expenditure, R&D and related project commitments.

Intellectual Property ('IP')

The Group carries in its statement of financial position goodwill and intangible assets of £13.93m, an increase of 24.4% from £11.20m last year, reflecting the Group's on-going investment in and commitment to the development of its proprietary POS-GRIP technology, the most important elements of which continued to be in relation to the POS-GRIP friction-grip method of engineering and the new Python subsea wellhead development JIP. The Directors have considered whether there have been any indications of impairment of its IP and have concluded, following a detailed asset impairment review, that there have been no such indications. The Directors therefore consider the current carrying values to be appropriate. Indications of impairment are considered annually.



POS-GRIP WELLHEAD ON RIG

Research and Development

R&D expenditure continues to be an important and necessary investment in protecting, developing, and broadening the range of applications for our proprietary POS-GRIP friction-grip method of engineering and related IP. As Stephen Boyle the RBS Chief Economist recently said when addressing the oil and gas industry in Aberdeen, "Doubling down on innovation and productivity are becoming of greater importance than ever before", and we certainly subscribe to that sentiment. Indeed Plexus' R&D related activity prior to and during the year culminated in the achievement of a number of milestones and contracts which would not have been possible without such investment and related product developing and testing. Of particular note in relation to our organic business a new customer Total awarded a £3.3m contract for the supply of jack-up drilling wellhead equipment for a Ultra HP/HT (17,000 – 19,000psi) gas exploration well in the North Sea, offshore Norway where Plexus was identified as the most suitable supplier due to the unique ability to offer a through the BOP capability while supporting casing at the ocean floor on its proprietary mudline hanger system. As well as new and superior applications related to our organic jack-up exploration drilling business, we also gained traction with a number of new R&D driven product developments. One of these is our POS-SET Connector which is designed to re-establish a connection onto rough conductor casing previously cut above the seabed to facilitate



TEST BAY ABERDEEN

tie-back or abandonment operations. Further proof of the unique advantages and capabilities of our friction-grip technology is the fact that full scale testing has shown that our connector can achieve 80% of the bending and tensile strength of the parent pipe, which is significantly better than conventional connector options can achieve. This could be a significant opportunity for Plexus, and Oil and Gas UK have stated that well plugging and abandonment expenditure could total £4.5bn from 2013 to 2022. This product follows on from our previously announced HP/HT Tie-Back connector which for the first time allows the reconnection of production casing to pre-drilled HP/HT exploration and production wells to the same standards as casing couplings. Full product development and qualification testing has been completed, and as this product can deliver significant time and cost savings to an operator interest continues to be shown by the industry. A second product extension is a post period end collaboration with Aquaterra to jointly supply HP/HT dual barrier marine risers utilising Plexus' POS-GRIP technology to provide a safer, technically superior and cost efficient solution for use on jack-up rigs, initially in the North Sea market. What is important here in terms of the uniquely

enabling capabilities of POS-GRIP is that whilst marine risers exist for low pressure applications, as well as certain bespoke heavy wall higher pressure risers, the 'Dual Barrier High Pressure Riser' will be the first in the industry for HP/HT wells. The majority of our R&D expenditure has been related to the important subsea market and post period end we announced a collaboration agreement with CNOOC and RST to explore commercial opportunities for shallow water subsea and crossover wellhead production systems for oil and gas activities in China which fits well with our strategic focus on Asian opportunities. Finally our most significant R&D driven project, the new Python subsea wellhead JIP, not only gained BG as an additional and valuable JIP member, but the completed design was officially launched at OE2015, Europe's biggest oil and gas show last month. Python has been designed to a new best in class and safest standard for subsea wellheads, and is engineered to be simple, whilst offering a range of unique and superior technologically advanced features, including 'instant casing hanger lockdown', and secures hangers with HG seals which provide direct, metal-to-metal, weld-quality, high integrity sealing. Uniquely, many complex components used in competing conventional subsea wellhead designs such as lock rings, lockdown sleeves and wear bushings are eliminated, which results in greater reliability and fewer installation trips. R&D spend increased by 28.9%, including the cost of building new test fixtures, to £4.12m from £3.19m in the prior year, and will continue during the 2015/16 financial year as the Python subsea JIP nears completion and the POS-GRIP product expands into the surface production and connectors market sectors.

IFRS 2 (Share Based Payments)

IFRS 2 charges have been included in the accounts, in line with reporting standards. The fair value of share based payments has been computed independently by specialist consultants and is amortised evenly over the expected vesting period from the date of grant. The charge for the year was £0.02m which compares to £0.03m last year.

Dividends

The Company announced on 24 March 2015 the payment of an increased interim dividend of 0.51p per share which was approved for payment on 22 April 2015.

In further recognition of the Group's on-going progress and confidence in the future the Directors have decided to propose a 182.3% increase in the final dividend of 1.75p per share for the year ending 30 June 2015 compared to 0.62p last year, making a total dividend for the financial year of 2.26p. The final dividend has been enhanced this year in recognition of the Group's strong balance sheet and cash position, and will be recommended for formal approval at the Annual General Meeting to be held on 10 December 2015. Subject to this the dividend will be paid on 16 December 2015 to all members appearing on the register of members on the record date 6 November 2015. The ex-dividend date for the shares is 5 November 2015.



OPERATIONS REVIEW

The main operational developments during the year were of both an organic and an international strategic nature. As the reputation of our proprietary POS-GRIP friction-grip method of engineering continues to grow and as our target market expands from our traditional jack-up exploration sector to surface production and subsea exploration and related new product developments, it is important that our operational capabilities across all disciplines, whether buildings, plant, and equipment or personnel are able to support such developments. Our ability to continue to invest in operations during the year was driven by our core jack-up drilling business and contracts awarded by existing and new customers the most significant of which were as follows:

- July 2014 – £0.6m additional well order signed with Centrica to supply surface wellhead and mudline equipment services for Southern North Sea exploration
- August 2014 – £1.0m order from Det Norske for the supply of HP/HT equipment for an oil and gas appraisal well offshore Norway with a value of £1.0m
- October 2014 – significant order signed with BG Group to supply HP/HT surface wellhead and mudline equipment services for a standard pressure exploration well in the UKCS
- November 2014 – £1.9m HP/HT wellhead equipment order for an exploration well in the UKCS from a major oil and gas operator



- November 2014 – £0.9m Det Norske, Norway orders HP/HT equipment for an oil and gas appraisal well offshore Norway and is the seventh Det Norske well to use Plexus equipment since 2012
- January 2015 – £1.6m contract with Shell Brunei under an existing four year contract which runs to 2016 for three additional exploration wells
- April 2015 – USD\$0.8m new customer contract Cardon IV in new territory Venezuela awarded for the supply of equipment for a development well offshore Venezuela
- May 2015 – £1.0m Premier Oil Norge order HP/HT wellhead equipment for an exploration well in the Norwegian Central North Sea
- May 2015 – £1.25m third well equipment order from Maersk Oil under a contract signed in 2014 for an offshore well in the Danish sector of the North Sea
- June 2015 – £3.3m ultra HP/HT wellhead equipment order received from new customer Total for potentially the highest pressure well ever drilled in the North Sea estimated at 17,000 – 19,000psi, offshore Norway

To date our core organic jack-up exploration business, and associated on-going investment in wellhead rental inventory together with the infrastructure, systems, and processes needed to support it have continued to generate the majority of our revenues. However as the North Sea began to experience a significant and widely reported slowdown, it was essential that we increased our efforts to extend our international presence. As such, we secured a major licensing agreement with our new major trading partner Jereh for China and other important territories post period end. International growth continued with wells won in Brunei with Shell Brunei, and our first ventures into China with Shell China, and into Venezuela with Cardon IV (a 50:50 Joint Venture between Repsol, S.A. and eni S.p.A). The operational base in Singapore supported wells in South East Asia and investment in personnel and infrastructure positions Singapore as a hub to support anticipated growth in the region. Supply chain rationalisation and emphasis on forging partnerships with our suppliers has resulted in reduction of overall risk and costs in the critical areas of our supply chain.

Further emphasis was placed on Asia with the formation of a new Malaysian company PPA in conjunction with a local Malaysian oil and gas partner, IPS. The establishment of PPA is a key milestone in Plexus' strategy to create a fully operational Asian business presence to increase the supply of our pioneering POS-GRIP wellhead equipment and services to the important Australian, Brunei, Indonesian, Malaysian, Thai, and Singaporean oil and gas exploration and production markets. At the time of the establishment of PPA the key task was the necessity to obtain a local Petronas licence, and importantly post period end in July PPA was awarded the licence. The licence enables PPA to manufacture and supply Plexus' POS-GRIP wellhead technology

into the Malaysian market and we hope over time will act as a springboard to becoming a major supplier of wellhead equipment in the region. To support these plans Plexus is slowly building the number of employees in the region, and will also be sending more personnel to China from Aberdeen to support the training and knowledge transfer process with Jereh at its headquarters in Yantai. It is anticipated that the Singapore business unit will in the future establish its ability to refurbish and inspect wellhead equipment for servicing the local market, which simplifies logistics from Aberdeen and reduces costs, whilst being able to offer customers a more responsive service.

In anticipation of future growth, not only internationally but also in Europe we doubled the size of our operational headquarters in Dyce, Aberdeen through the purchase of a circa 36,000 sq.ft work shop and office facility for £2.4m. The new facility is situated immediately adjacent to the existing 36,500 sq.ft site in Aberdeen, and was previously occupied by leading oil services company Baker Hughes. This major increase in Plexus' operational capacity is necessary not only for supporting our rental wellhead business, but also to ensure that we are able to support and respond to greater anticipated activity associated with our recently launched Python subsea wellhead, and other new product developments such as the POS-SET Connector. At a time when cost control and indeed cost savings are paramount within the industry, the additional space will also enable Plexus to consolidate its work facilities in Aberdeen, thereby significantly improving our logistical efficiencies especially due to the close proximity of our existing building.

As reviewed in the R&D section of our Strategic Report, as a proprietary technology led business investment, time and effort continually go into engineering



STORAGE FACILITIES

improvements and new inventions. During the year a number of such product development initiatives came to fruition and have now either arrived at a point where active promotion to the wider global marketplace can begin, for example, our HP/HT Tie-Back product originally sponsored by Maersk as well as our POS-SET Connector to facilitate abandonment which has already been ordered by Centrica; or will be able to be marketed in the near future such as our new Python subsea wellhead. Such developments have to be properly supported, and our ability to respond to technical enquiries and the physical deployment and installation of equipment is key, and we therefore ensure that appropriate training, methods, procedures and systems are in place, and continually reviewed to meet our customer expectations and requirements. An interesting development that we have recently seen during the current cycle of low oil prices and focus on cost savings, and which is relevant to the unique nature of our technology and product designs, is one where operators' engineers are looking more closely at technology that can offer a range of technical benefits from features such as monitoring, together with simplicity and avoidance of 'in the field problems' caused by conventional wellhead equipment that can arise for example from the use of lock rings and lock down sleeves. The more complicated nature of conventional wellhead equipment designs can lead to significant cost penalties whether direct or indirect through delayed or lost production. We hope this will prove positive for Plexus in the long-term.



POS-GRIP INVENTORY

Staff and staff development is essential for our current and future success. During the year there was further focus on recruitment with year end total employee numbers increasing from 144 to 157. As we expand our business internationally and support the development of our operational base in Singapore, we have recruited a number of local personnel each of which have enjoyed a significant induction and training period in the UK to support an effective transition of established working practices in the region. Particular emphasis was placed on our sales and marketing capabilities and a new sales strategy based around more forward looking market data for forthcoming projects was implemented post period end. This initiative is already showing positive signs of enabling us to engage with customers at an early stage of their well planning and equipment specification and selection process. Legislative changes have featured heavily during this period and in particular, we met our pension auto enrolment targets as stipulated by government. The role of field service technicians within Plexus is one of the most pivotal roles within the organisation, being integral to the safe operation of our equipment and the direct interface with our customers. The focus on training and competence within this group remains a key target for the business, bolstered by

a new assessment centre led recruitment process which successfully saw five new field service technicians being recruited. In recognition of the importance that we place on such initiatives at a time when safety is so key for the industry, we were also delighted to achieve a major milestone with the accreditation and approval by Offshore Petroleum Industry Training Organisation ('OPITO') for our competency management system ('CMS') known as Competency@Plexus. OPITO is globally recognised and the accreditation is continually requested during tender and contract reviews by customers.

Health and Safety is a key operational discipline and Plexus remains fully committed to delivering the highest safety standards. We continue to manage our safety risks through assessment, implementation of controls, continual monitoring, and hiring and developing staff to meet the competency levels required. We encourage our personnel to get involved, have confidence to intervene and to challenge any unsafe act or condition and to ensure transparent reporting of incidents that meets our desired safety culture. Recent audits by Lloyds Register Quality Assurance ('LRQA'), the world leading independent provider of Business Assurance services demonstrate that we are operating to the recognised industry and national standards, with our ISO 9001 and BS OHSAS 18001 certification maintained. We recognise that the health and well-being of our employees is a crucial feature of our HSE and HR strategy, and building on our achievement of our Bronze and Silver Healthy Working Lives Awards presented in 2013, we received during the year our Healthy Working Lives Gold Award.

IT services and support are of course essential for any modern business and investment in IT has continued in both

staff numbers and infrastructure. The IT infrastructure has undergone major networking and telecommunication upgrades to support the continued growth of Plexus internationally. These upgrades are required to ensure delivery of flexible and integrated business information systems. The bespoke nature of our in-house software development allows the IT department to quickly react to the ever changing demands of the business. It provides important information for decision making, providing managers access to accurate business data for planning and analysis. The recent updates to our sales system have given better visibility of worldwide sales opportunities to both the sales team and senior management. Plexus is committed to ensuring a safe and secure electronic environment and as a wide range of cyber risks are an ever evolving and on-going risk for all companies the IT department is working towards ISO 27001:2013 accreditation which will help ensure that both internal and external risks are minimised. Certification provides customers and key stakeholders with the confidence that security risks are taken and addressed seriously. The certification process is rigorous and is expected to be completed in financial quarter 4 2016.

Finally, Plexus has to date, chosen not to own its own manufacturing capacity but it had previously acquired a 25% interest in a private UK engineering company which manufactures specialist oil and gas equipment. As Plexus becomes more international, and with stronger relationships developing with partners such as Jereh in China and IPS in Malaysia it was decided that higher cost base UK manufacturing was non-core and this interest was disposed of in June 2015.



EXPANDING INTO GLOBAL MARKETS

STRATEGY AND FUTURE DEVELOPMENTS

Technology

Plexus' unique and patented POS-GRIP friction-grip technology has wide ranging applications both within and outside of the oil and gas industry. It is important to remember that POS-GRIP is a method of engineering and not a product in its own right, and where there is an opportunity for the technology to improve upon conventional products, we look to integrate POS-GRIP into the product so that the benefits together with HG sealing can be realised. In simple terms POS-GRIP technology is based on a very simple concept. A compressive force is applied on the outside of a wellhead or pipe, to flex it inwards. As the bore of the vessel moves inwards, it makes contact with an inner pipe (or hanger) on the inside. Sufficient contact force is generated to fix the inner member (hanger) in place through friction between the two components. The Company's strategy is primarily focused on delivering the highest standard of wellhead design for the upstream oil and gas markets, which is already proven to be uniquely advantageous in terms of safety features, operational efficiency, and cost savings for jack-up drilling HP/HT applications where Plexus has the majority market share in the North Sea.

POS-GRIP wellhead designs deliver many advantages over conventional "slip and seal" and "mandrel hanger" wellhead technologies for surface exploration and production activities, and in due course for subsea operation with our new Python subsea wellhead. These include larger metal-to-metal seal areas, virtual elimination of movement between parts, fewer components, simplified design and assembly, enhanced corrosion resistance, simpler manufacture, long term integrity, annulus management, and reduced installation cost. In particular our subsea wellhead eliminates the need for wearbushings, pack-offs, lock-rings, and lockdown sleeves, whilst delivering instant rigid lock-down in all directions whilst being fully reversible for ease of workover, side-tracking or abandonment. At a time when unconventional HP/HT and deep-water reservoir developments are growing in importance, the oil and gas industry is facing increasing technical challenges to meet rigorous regulatory and health and safety requirements, while having to ensure the commerciality of operations during the current volatile oil price environment. POS-GRIP wellheads address many of these challenges, whilst also being able to deliver significant cost savings which in the case of our new subsea wellhead design have been independently estimated at up to USD\$10m for a deep-water well. In our view,

Plexus' equipment sets a new standard and, having secured a leading position in jack-up exploration drilling, is well placed to break into the significantly larger and more mainstream volume production wellhead and subsea markets, particularly in conjunction with partners such as our new licensee Jereh.

The superiority and potential of our POS-GRIP technology is being increasingly recognised by the industry, and the various initiatives and agreements that we entered into during the year with a range of industry partners such as Jereh, COSL, and Aquaterra clearly support our view that the POS-GRIP friction-grip method of engineering technology has many more applications beyond our traditional organic jack-up exploration activities. Of course as with any major 'game changing' technology that has the potential to become a new standard, there have to be sound and genuine reasons for customers selecting our equipment. Apart from our operational time saving and related safety benefits, at the engineering level we believe that our technology can uniquely raise the integrity of wellhead testing and sealing to that of premium couplings, which supports our claim that wellheads should not be, and indeed now do not need to be, the 'weak link' in the well architecture chain. In support of these important principles an in depth report commissioned by the Company from OTM Consulting Inc, ('OTM'), an international independent engineering consultancy, concluded that Plexus wellheads using its HG metal seals, offer the "best possible sealing performance through a metal-to-metal seal that none of the existing designs can match. Moreover, sealing performance is not affected by pressure/temperature cycles as there are no movable components". OTM concludes that after evaluating POS-GRIP sealing technology against existing competing technologies, "it is the best and safest technology due to its enhanced safety performance".

Business Model and Markets

Plexus' traditional market has been the supply of adjustable rental wellhead equipment and associated running tools for jack-up exploration drilling in the UKCS. The exploration wellhead contracts are supplied from a rental fleet inventory, the majority of which are HP/HT wellheads as these are increasingly demanded not just for HP/HT drilling but also for standard pressure wells where added benefits are appreciated. Initially this was only for standard pressure equipment of 10,000 psi or less, but with the development of POS-GRIP HP/HT equipment, Plexus has secured nearly 100% of the UKCS market, and commands a large share of the European North Sea thanks to the superior nature of its technology. The rental business has since expanded globally into other territories such as Australia, Brunei, Cameroon, China, Egypt, Malaysia, and Venezuela. Plexus also provides service technicians who install and maintain our equipment at various stages during the drilling of a well.

The Company's focus on rental exploration allows customers to experience for themselves the many benefits of POS-GRIP technology on temporary exploration wells, rather than those used for production where typically the wellhead equipment is in place for the life of the well. However with new partner Jereh we are working closely to develop a Plexus POS-GRIP surface production wellhead suitable for the volume Chinese land market. In addition renting out equipment from a growing inventory enables Plexus to outsource all of its wellhead manufacturing to a select number of third parties, and as a result avoid having to invest in and develop in-house manufacturing capabilities with attendant fixed overheads. Such a strategy led to the disposal of a 25% shareholding interest in a private UK oil and gas equipment manufacturing company.



The jack-up wellhead exploration market is estimated to be worth circa USD\$400m per annum. By contrast the combined value of the global exploration and production wellhead market was estimated by OTM at USD\$4.5bn in 2014. Clearly the size of the markets that Plexus is only now beginning to address is far in excess of its traditional organic business, and even with the well reported decline in capex by the operating companies the upside of moving into these market sectors is substantial. As a result, in tandem with continuing to grow the jack-up rental business in both its traditional and new market territories, Plexus is focused in particular on expanding into the mainstream volume production wellheads market, and the increasingly important subsea market. In the case of the subsea market Douglas-Westwood expects deep-water capex to rise post 2016, and sees expenditure growing by almost 69% compared with the preceding five year period, totalling USD\$210bn between 2015 and 2019, driven by Africa and the Americas which account for 82% of capex.

In light of volatile oil markets which saw Brent Crude fall during the financial year from circa USD\$112 on 1 July 2014 to circa USD\$63 on 30 June 2015, operators are increasingly focused on securing significant cost savings across their operations, and

there is an industry wide push for savings at all levels of drilling operations. With this in mind, it is compelling that Plexus' equipment generates material cost savings for the operator, while at the same time delivering a superior wellhead solution. Importantly, Plexus' surface jack-up wellheads can be supplied at a rental cost that equates to less than the time savings for the operator, thereby making them cost negative. Similarly, our new Python subsea wellhead will also deliver substantial cost savings benefits, and we hope to be able to run the first prototype in the second half of calendar year 2016. Cost saving and safety features such as these underpin the value of Plexus' IP and underpins Plexus' growth potential as it enters new international markets directly or through licensees.

Strategy and the Future

Plexus has pioneered a safer, more cost effective, reliable and technically superior wellhead utilising POS-GRIP technology which we rent to many leading oil and gas operators worldwide for surface exploration jack-up drilling activities. Having battled with incumbent suppliers which have dominated the industry for decades, (where for example just five companies account for over 90% of the subsea wellhead business), Plexus' wellhead equipment is gaining traction and major operators awareness of our

wellhead systems is increasing. To date our equipment has been used in over 400 wells worldwide by the likes of BG, BHP Billiton, BP, ConocoPhillips, Maersk, Shell, Statoil, Petronas, Tullow Oil, and Wintershall, which we believe is a testament to the commercial strength of Plexus' offering.

Plexus' long-term goal is to develop POS-GRIP technology as a new industry standard for wellhead design, and to continue to develop additional new products, which will also offer multiple benefits and advantages in terms of improved safety, functionality, and cost and time savings. For example Plexus' connector technology is ideal for high integrity, low fatigue connector applications. Wellhead connectors, riser connectors, subsea jumper connectors, pipeline connectors, and even vessel mooring connectors can all benefit from the simplicity of POS-GRIP. A key factor in many of these commercial opportunities is our superior metal-to-metal sealing capability with unprecedented reliability, and true weld quality sealing, resulting from the huge amount of preload that we generate which prevents any possible movement at the seal interface over the life of the field.

We believe we have merely scratched the surface despite the excellent growth seen to date, and that despite the current industry wide slowdown we believe that we can still make inroads into the sizeable markets that to date we have not addressed. As a company we are implementing a strategy to expand from a dominant position in the North Sea into new geographical areas, as evidenced by the growth we have reported in FY 2015 in Europe and Asia.

In an effort to continue to grow international revenues as a proportion of sales, and in particular access the growth of the Asian HP/HT market, we have established an Asian hub with offices in Singapore and Malaysia as we seek to further position ourselves in a number of countries including Australia, Brunei, Indonesia, Malaysia, Singapore and Thailand. With this in mind, we are working to re-locate a proportion of our wellhead rental equipment to Singapore to support and strengthen our current regional relationships and broaden our customer base outside of the UK.

Importantly, as well as establishing new regional hubs, and pursuing licencing agreements and strategic partners as a key part of strategy to continue increasing our global footprint, post period end we secured Jereh as a licencing partner in China; and secured a Petronas Licence in Malaysia through our joint venture entity. We are also in active dialogue with regards expansion into Russia and CIS countries as part of our wider focus on becoming less reliant on the declining North Sea area and seizing a foothold in major and emerging oil and gas economies.

In addition to our future strategy to accelerate the adoption of our POS-GRIP technology by the wider oil and gas market through licencing agreements, we are also developing new product lines to generate new revenue streams for Plexus. The launch of our Python Subsea Wellhead marks such a step. As mentioned the formal launch marked the first commercial availability of our POS-GRIP enabled subsea wellhead system, where we are looking to deploy a prototype offshore during the second half of



calendar year 2016. With over six majors, including the likes of BG, eni, Maersk, Shell, and Total, having supported the development of the wellhead and its launch at OE2015, we are actively working towards finding an operator to secure this first deployment by either one of the original JIP partners or another operator. In terms of market competitors there are five major suppliers of subsea wellheads, these are Aker, Cameron, DrillQuip, FMC, and GE who are all major multi-billion dollar corporations. However with a unique technology that is safer and more cost effective we have a powerful story to tell and the progress we have made to date demonstrates how large the potential is for future growth and value creation. The subsea systems market had been estimated to be valued at USD\$41.6bn between 2009-2013, including subsea trees, manifolds, wellheads, pumps, chokes and valves. The subsea wellhead market is therefore a sub-sector of this market, which broking house Numis has estimated to be valued at c.USD\$10-12bn between 2014-2017. If Python is successfully commercialised this would be a significant step towards achieving our strategy of increasing adoption and brand awareness of our POS-GRIP product given the market size at hand.

R&D spend is also central to our strategy of investing time and capital into new product development. Excluding the cost of building test fixtures R&D spend increased 46.7% to £3.47m during the last financial year. R&D has been spent on such products as WellTree, the HP/HT Tie-Back connector, the new POS-SET Connector and the Python subsea



wellhead. All of these product innovations are in line with Plexus' strategy to extend our POS-GRIP product reach into new and commercially attractive markets. Successful R&D activity leads to new inventions, product designs, and IP. Plexus continues to pursue an active strategy of protecting existing and securing new IP and patents, and we have a number of exciting and we believe valuable patent applications registered or in the process of being applied for.

KEY PERFORMANCE INDICATORS

The Directors monitor the performance of the Group by reference to certain financial and non-financial key performance indicators. The financial indicators include revenue, EBITDA, profit and earnings per share. Non-financial indicators include Health and Safety statistics, equipment utilisation rate, geographical diversity of customer revenues, effectiveness of a range of research and development initiatives for example in relation to new patent and proprietary intellectual property activity, and employee headcount and turnover rates.

Principal Risks and Risk Management

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

(a) Political and environmental risks

We participate in a global market where the oil and gas reserves and their extraction and oil and gas prices can be severely impacted by changes in the political, operational, and environmental landscape, particularly in relation to climate change and CO² emissions relating to the oil and gas industry. The introduction of sanctions is one example of such a risk, and in extreme circumstances even regime change, and a volatile oil price is another where a severe fall in oil prices can have a significant adverse impact on customers' drilling activities and associated capital expenditure. As a supplier to the industry we in turn can be adversely affected by such events which can disrupt the markets, and affect our ability to execute work for customers and/or collect payment for services performed. To help address such risks, the Group has continued to broaden its geographic footprint and customer base and applies a stringent approach to credit control.

(b) Technology

The Group is still at a relatively early stage in the commercialisation, marketing and application of its POS-GRIP friction-grip technology beyond jack-up rental exploration wellhead equipment, both with regard to expanding into the surface production and subsea markets, as well as new product development. Current and future contracts may be adversely affected by technology related factors outside the Group's control.

These may include unforeseen equipment design issues, test delays during a contract and final testing and delayed acceptances of deliveries, which could lead to possible abortive expenditure and write downs, reputational risk and potential customer claims or onerous contractual terms. Such risks may materially impact on the Group. To mitigate this risk the Group continues to invest in developing and proving the technology and has a policy of on-going training of our own personnel and where appropriate our customers.

(c) Competitive risk

The Group operates in highly competitive markets and often competes directly with large multi-national corporations who have greater resources and are more established. Product innovation or technical advances by competitors could adversely affect the Group and lead to a slower take up of the Group's proprietary technology. To mitigate this risk Plexus maintains an extensive suite of patents and trademarks, and actively continues to develop and improve its IP to ensure that it continues to be able to offer unique superior wellhead design solutions.

(d) Operational

Shortage of experienced personnel in the oil and gas industry is widely recognised and could deprive Plexus of key personnel necessary for operational activities and research and development initiatives. To mitigate this risk Plexus has developed effective recruitment and training procedures, which combined with the appeal of working in a company with unique technology and engineering solutions has enabled us to continue to grow our staff numbers, and achieve to date a low rate of turnover of personnel.

(e) Liquidity and finance requirements

In an economic climate that remains volatile and unpredictable it has become increasingly possible for both existing and potential sources of finance to be closed to businesses for a variety of reasons that have not been an issue in the past. Some of these may even relate to the lender itself in terms of its own capital ratios and lending capacity. Although this is a potential risk the Group took appropriate steps during the year to mitigate this risk by successfully renewing and extending its bank facilities with Bank of Scotland. The Group is required to meet certain financial criteria agreed as covenants in connection with its bank loans and monthly management accounts are prepared and reviewed against the covenant requirements to ensure that the Group's obligations can be met.

(f) Credit

The main credit risk is attributable to trade receivables. As the majority of the Group's customers are large international oil companies the risk of non-payment is much reduced, and therefore is more likely to be related to client satisfaction and/or trade sanctions. Customer payments can involve extended period of times especially from countries where exchange control regulations can delay the transfer of funds outside those countries. The Group has credit risk management policies in place and exposure to credit risk is monitored continuously.

Risk assessment

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

Ben van Bilderbeek

Chief Executive
27 October 2015

"POS-GRIP method of engineering offers 'instant casing hanger lockdown' and is used to secure hangers with HG Seals which provide direct, metal-to-metal, weld-quality, high integrity sealing."

PLEXUS HOLDINGS PLC ANNUAL REPORT 2015



C O R P O R A T E G O V E R N A N C E

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**Jerome Jeffrey Thrall BBA MBA
(aged 65), Non-Executive Chairman**

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

**Bernard Herman van Bilderbeek
BSc M.Eng (aged 67),
Chief Executive**

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

**Graham Paul Stevens BA (Hons)
(aged 57), Finance Director**

Graham has broad experience in financial, corporate, and operational management within both public and private companies including J Sainsbury plc, BSM Group Limited, Sketchley Group plc, and Fii Group plc. He

has been involved in a range of industries as a director, investor and advisor, and overseen a number of acquisitions and disposals, as well as the implementation of turn around and growth strategies. Graham is a non-executive director of Netplay TV PLC, the AIM listed largest UK interactive TV gaming company. He was previously a non-executive director of NRX Global Inc. the worldwide leader in Asset Information Management solutions used by leading companies in asset intensive industries, including oil and gas.

**Craig Francis Bryce Hendrie
M.Eng(Oxon) (aged 42),
Technical Director**

After gaining a Masters Degree in Engineering Science from the University of Oxford, Craig began his career with ICI plc in 1996 as a machines engineer. He joined Plexus in 1998 and was instrumental in the development, testing and analysis of the original POS-GRIP products. As Technical Director, Craig is responsible for overseeing new technology and concept development, product testing and analysis, as well as pursuing new applications for POS-GRIP technology both internally and externally.

**Geoffrey Edmund Thompson
BSc (Hons) M.Eng (aged 61),
Non-Executive Director**

Geoff has over 40 years' experience in the international oil and gas arena. Geoff's expertise lies in the field of well equipment and well design, including High Pressure High Temperature wellhead equipment technology. He is currently contracted as an independent consultant to Maersk Oil UK for their Culzean HP/HT development, having been, until recently, a Principal Drilling Equipment Engineer with Maersk Oil in Denmark. Prior to this, Geoff was contracted as an independent consultant for 31 years advising international operators and oil service companies including a number of Shell Group Operating Companies on well equipment and all mechanical aspects of well design and technology.

**Christopher James Watts Fraser
BA (Hons) OBE (aged 52),
Non-Executive Director**

Christopher has experience in managing large, diverse corporate projects in complex business environments on a global scale. His wide-ranging career includes two terms as a Member of Parliament, as well as a number of years as a management consultant and corporate advisor. Christopher also founded and ran an international marketing and communications group, which had clients in the oil and gas sector.

**Charles Edward Jones BSc M.Eng
(Age 56), Non-Executive Director**

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

The directors present their annual report together with the audited financial statements for the year ended 30 June 2015.

BUSINESS REVIEW

A review of the development and performance during the year consistent with the size and complexity of the business together with commentary on future developments including the main trends and factors likely to affect the business is given in the Chairman's Statement on page 17 and the Strategic Report on page 28. In addition the Strategic Report on page 28 includes references to and additional explanations of amounts included in the annual accounts. Where guidelines make reference to the provision of key performance indicators the directors are of the opinion certain financial and non-financial indicators included in the highlights on pages 2 and 3, the Strategic Report on page 28, and the Directors' Report on page 50 meet this requirement. The directors have provided a description of the principal risks and uncertainties facing the Group in the Strategic Report on page 44.

RESEARCH AND DEVELOPMENT

The Group actively engages in an on-going research and development programme designed to expand and develop the range of commercial applications deriving from its proprietary POS-GRIP technology. For the year research and development expenditure including the cost of building new test fixtures totalled £4.12m (2014: £3.19m), being amounts expensed through the Statement of Comprehensive Income and capitalised on the Statement of Financial Position during the year.

RESULTS AND DIVIDENDS

The results for the year, showing a profit before taxation of £5.94m (2014: £5.37m), are set out on page 66.

The directors have proposed a final dividend for the year ended 30 June 2015 of 1.75p per share (2014: 0.62p).

CORPORATE GOVERNANCE

This is the subject of a separate report set out on page 48.

RELATED PARTY TRANSACTIONS

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

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

GOING CONCERN

The directors, having made appropriate enquiries, believe that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group continues to adopt the going concern basis in preparing the financial statements.

DIRECTORS' INTERESTS

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

The interests of the directors who held office during the year in the shares of the Company at 30 June 2015 were as follows:

	NUMBER OF ORDINARY SHARES OF 1P EACH 2015	NUMBER OF ORDINARY SHARES OF 1P EACH 2014
J. Jeffrey Thrall ¹	42,704,001	42,704,001
Ben van Bilderbeek ²	58,700,001	58,700,001
Graham Stevens	15,100	15,100
Craig Hendrie	12,600	12,600
Geoff Thompson	–	–
Christopher Fraser	10,000	10,000
Charles Edward Jones	–	–

1. J. Jeffrey Thrall, has an indirect beneficial interest in a company which controls 32.477% of Mutual Holdings Limited. The number of shares held by Mutual Holdings Limited in the Company at 30 June 2015 was 42,700,001 (2014: 42,700,001). Additionally, J. Jeffrey Thrall holds 4,000 shares directly.

2. Ben van Bilderbeek is one of the beneficiaries of a trust which controls 59.962% of the shares of Mutual Holdings Limited and the entire issued share capital of OFM Investment Limited. At 30 June 2015, Mutual Holdings Limited held 42,700,001 shares and OFM Investment Limited held 16,000,000.

RETIREMENT AND RE-ELECTION

Mr. Hendrie and Mr. Fraser will retire by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election.

SUBSTANTIAL SHAREHOLDINGS AND INTERESTS

Shares

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

	% ISSUED SHARE CAPITAL
Mutual Holdings Limited 42,700,001	47.8%
OFM Investment Limited 15,069,767	16.9%
State Street Nominees Limited 9,709,694	10.9%
Jereh International (Hong Kong) Co., Ltd 4,468,537	5.0%
Hargreave Hale Nominees Limited 4,163,024	4.7%

EXECUTIVE 2005 SHARE OPTION SCHEME AND NON-EXECUTIVE 2005 SHARE OPTION SCHEME

Details of the Executive and Non-Executive Schemes can be found in the Remuneration Committee Report on page 56.

EMPLOYEES

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

EVENTS SUBSEQUENT TO 30 JUNE 2015

Subsequent to the year end, the Company entered into a Subscription Agreement with Jereh International (Hong Kong) Co. Ltd. ("Jereh") dated 1st July 2015. Under the Subscription Agreement, Jereh subscribed for 5% of the enlarged share capital of the Company; the number of shares subscribed for was 4,468,537 at a price of 180p per share. The total number of shares in issue following this subscription, and as at the date of this report, is 89,370,733. Additionally, as part of the Subscription Agreement, Jereh has the right to nominate one Non-Executive Director to the Board. Pursuant to this right, the process of appointing the nominee is well advanced.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there

is no relevant audit information of which the Company's auditor is unaware; and each director has taken steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 10 December 2015. The Notice convening the meeting can be found at the back of these financial statements.

In addition to the ordinary business of the meeting which is set out in the proposed resolutions numbered 1 to 7 (inclusive) there are three items of special business, namely the proposed resolutions numbered 8, 9 and 10, the effects of which are to renew the authority given to the directors to allot shares in the capital of the Company, to authorise the Company to make market purchases, of shares and, to dis-apply pre-emption rights. Your attention is drawn to the Notes on each of these resolutions at the foot of the Notice and to the Notes generally.

AUDITORS

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

COMPANY NUMBER

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

By order of the Board

Ben van Bilderbeek

Chief Executive
27 October 2015

CORPORATE GOVERNANCE REPORT

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INTRODUCTION

Although the rules of AIM do not require the Company to comply with the UK Corporate Governance Code (the 'Code'), the Company fully supports the principles set out in the Code and will attempt to comply wherever possible, given both the size and resources available to the Company.

THE BOARD

The Board of Directors comprises three Executive Directors and four independent Non-executive Directors, one of whom is the Chairman.

The Board meets regularly throughout the year and receives a Board pack in respect of each meeting together with any other material deemed necessary for the Board to discharge its duties. The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets, major items of expenditure and acquisitions.

During the year to 30 June 2015 the Board met a total of twelve times.

BOARD COMMITTEES

The Board has established two committees; Audit and Remuneration each having written terms of delegated responsibilities.

It is considered that the composition and size of the Board does not warrant the appointment of a Nominations Committee and appointments are dealt with by the whole of the Board.

AUDIT COMMITTEE

The Audit Committee comprises two Non-executive Directors, J. Jeffrey Thrall and Christopher Fraser and is scheduled to meet twice a year. It is the Audit Committee's role to provide formal and transparent arrangements for considering how to apply financial reporting and internal control best practice, whilst maintaining an appropriate relationship with the independent auditors of the Group. In order to comply with best practice that at least one member has relevant financial experience, the Chairman of the Board sits on the Audit Committee.

During the year to 30 June 2015 the Audit Committee met on two occasions.

REMUNERATION COMMITTEE

The Remuneration Committee comprises two Non-executive Directors, J. Jeffrey Thrall and Christopher Fraser and meets at least once a year. It is the Remuneration Committee's role to establish a formal and transparent policy on Executive remuneration and to set remuneration packages for individual Directors.

During the year to 30 June 2015 the Remuneration Committee met on three occasions.

BUSINESS REVIEW

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BOARD AND COMMITTEE MEETING ATTENDANCE

The table below shows the attendance record of individual directors at Board meetings and committees of which they are members.

	BOARD		AUDIT COMMITTEE		REMUNERATION COMMITTEE	
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
J. Jeffrey Thrall	12	8	2	2	3	3
Ben van Bilderbeek	12	11	–	–	–	–
Graham Stevens	12	12	–	–	–	–
Craig Hendrie	12	9	–	–	–	–
Geoff Thompson	12	7	–	–	–	–
Christopher Fraser	12	7	2	2	3	3
Charles Jones	11	7	–	–	–	–

APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Charles Jones was appointed as a Non-executive Director on 18 September 2014. As required by Article 69.(B) of the Company's Articles of Association, Charles Jones retired at the Annual General Meeting held on 11 December 2014 and, being eligible, offered himself for re-election. The resolution to re-elect him as a director was passed without dissent.

RETIREMENT AND RE-ELECTION

Craig Hendrie and Christopher Fraser are to retire by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election.

SHAREHOLDER RELATIONS

The Company meets with its institutional shareholders and analysts as appropriate and encourages communication with private shareholders via the AGM. In addition, the Company uses the annual report and accounts, interim statement and website (www.plexusplc.com) to provide further information to shareholders.

HEALTH AND SAFETY

The Company is active in assessing and minimising the risks in all areas of the business and educating the workforce to provide as safe a working environment as possible.

FINANCIAL REPORTING

The directors have a commitment to best practice for the Group's external financial reporting in order to present a balanced and comprehensible assessment of the Group's financial position and prospects to its shareholders, employees, customers, suppliers and other third parties. This commitment encompasses all published information including but not limited to the year end and interim financial statements, regulatory news announcements and other public information. The Statement of Directors' Responsibilities for preparing the accounts may be found on page 61.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the systems of internal control and for reviewing their effectiveness. Such systems are designed to manage rather than eliminate risks and can provide only reasonable and not absolute assurance against material mis-statement or loss. Each year, on behalf of the Board, the Audit Committee reviews the effectiveness of these systems. This is achieved primarily by considering the risks potentially affecting the Group and discussions with the external auditors.

The Group does not currently have an internal audit function due to the small size of the administrative function and the high level of Director review and authorisation of transactions.

A comprehensive budgeting process is completed once a year and is reviewed and commended by the Audit Committee for approval by the Board. The Group's results, as compared against budget, are reported to the Board on a monthly basis and discussed in detail at each meeting of the Board.

The Group maintains appropriate insurance cover in respect of legal actions against the Directors as well as against material loss or claims against the Group and reviews the adequacy of the cover regularly.

The Group has established procedures whereby employees may in confidence raise concerns relating to matters of potential fraud or other improprieties, as well as health and safety issues.

RESERVED MATTERS

The board has a formal schedule of matters reserved for its decision which includes the setting of Company goals, objectives, budgets and other plans. Board papers, comprising an agenda and formal reports and briefing papers, are sent to the directors in advance of each meeting. All directors have access to independent professional advice at the Company's expense, if required, as well as to the advice and services of the company secretary.

RISK ASSESSMENT

The Board has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group. The risks are assessed on a regular basis and could be associated with a variety of internal and external sources including regulatory requirements, disruption to information systems, control breakdowns and social, ethical, environmental and health and safety issues.

REMUNERATION COMMITTEE REPORT

INTRODUCTION

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

The Remuneration Committee of the Board is responsible for considering Directors' remuneration packages and makes its recommendations to the Board. The Committee comprises two Non-executive Directors J. Jeffrey Thrall and Christopher Fraser, and is required to meet at least once a year.

REMUNERATION POLICY

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

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

An annual performance bonus is payable to Executive Directors and senior staff, and each year an exercise is undertaken, again in conjunction with external remuneration consultants to look at market comparisons, benchmarks, relative performance as well as consideration of strategic progress in addition to simply financial ones. Comparator group analyses includes oil and gas exploration companies with broadly similar market capitalisations and numbers of employees, as well as oil and gas service companies where although the market capitalisation range is wide it is relevant as these are the sort of companies with which Plexus may compete for talent. A further comparator group for the Committee to consider is the FTSE AIM 100.

SERVICE CONTRACTS

The Executive Directors have service agreements with the Company dated 25 November 2005 subject to termination upon twelve months' notice being given by either party.

PENSIONS

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

NON-EXECUTIVE DIRECTORS

The Non-executive Chairman, J. Jeffrey Thrall, entered into a Letter of Appointment with the Company dated 25 November 2005 for an initial term through to the first AGM and having been re-elected as a director either party can terminate upon three months' notice being given. The subsequently appointed Non-executive Directors, Geoff Thompson, Christopher Fraser and Charles Jones, entered into their Letters of Appointment with the Company dated 8 June 2010, 15 March 2012 and 18 September 2014 respectively, and, having been re-elected as a director at the AGMs held in 2010, 2012 and 2014 respectively, are subject to the same termination conditions as applicable to Mr Thrall.

DIRECTORS' REMUNERATION

Details of Directors' remuneration for the year are set out below:

	SHORT-TERM EMPLOYEE BENEFITS		POST- EMPLOY- MENT BENEFITS	SHARE- BASED PAYMENT		
	SALARY & FEES (INCL. ANNUAL BONUS) £	BENEFITS £	PENSION £	IFRS 2 CHARGE FOR SHARE OPTIONS £	2015 TOTAL £	2014 TOTAL £
Executive Directors						
Ben van Bilderbeek	732,263	12,891	–	–	745,154	649,116
Graham Stevens	354,365	9,286	26,050	–	389,701	358,218
Craig Hendrie	249,899	881	24,875	–	275,655	342,046
Non-executive Directors						
J. Jeffrey Thrall	32,500	–	–	–	32,500	32,500
Geoff Thompson	20,000	–	–	–	20,000	20,000
Christopher Fraser	30,000	–	–	21,016	51,016	54,016
Charles Jones	34,976	–	–	–	34,976	–
Total	1,454,003	23,058	50,925	21,016	1,549,002	1,455,896

DIRECTORS' INTEREST IN SHARE OPTIONS

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

EXECUTIVE 2005 SHARE OPTION SCHEME

NAME	NO OF OPTIONS AT 30/06/13	GRANTED DURING 13/14	LAPSED DURING 13/14	EXERCISED DURING 13/14	NO OF OPTIONS AT 30/06/14	GRANTED DURING 14/15	LAPSED DURING 14/15
B. van Bilderbeek	388,304	–	–	(194,152)	194,152	–	–
B. van Bilderbeek	65,902	–	–	–	65,902	–	–
B. van Bilderbeek	332,110	–	–	–	332,110	–	–
B. van Bilderbeek	169,642	–	–	–	169,642	–	–
G. Stevens	254,407	–	–	(116,000)	138,407	–	–
G. Stevens	43,177	–	–	–	43,177	–	–
G. Stevens	217,795	–	–	–	217,795	–	–
G. Stevens	101,042	–	–	–	101,042	–	–
C. Hendrie	254,407	–	–	–	254,407	–	–
C. Hendrie	43,177	–	–	–	43,177	–	–
C. Hendrie	217,795	–	–	–	217,795	–	–
C. Hendrie	105,853	–	–	–	105,853	–	–

NAME	EXERCISED DURING 14/15	NO OF OPTIONS AT 30/06/15	DATE OF GRANT	NO OF OPTIONS VESTED AT 30/06/15	EXPIRY DATE	EXERCISE PRICE (£)
B. van Bilderbeek	–	194,152	09/12/05	194,152	08/12/25	0.59
B. van Bilderbeek	–	65,902	20/06/07	65,902	19/06/17	0.385
B. van Bilderbeek	–	332,110	17/12/09	332,110	16/12/19	0.41
B. van Bilderbeek	–	169,642	25/03/11	169,642	24/03/21	0.60
G. Stevens	–	138,407	09/12/05	138,407	08/12/25	0.59
G. Stevens	–	43,177	20/06/07	43,177	19/06/17	0.385
G. Stevens	–	217,795	17/12/09	217,795	16/12/19	0.41
G. Stevens	–	101,042	25/03/11	101,042	24/03/21	0.60
C. Hendrie	–	254,407	09/12/05	254,407	08/12/25	0.59
C. Hendrie	–	43,177	20/06/07	43,177	19/06/17	0.385
C. Hendrie	–	217,795	17/12/09	217,795	16/12/19	0.41
C. Hendrie	–	105,853	25/03/11	105,853	24/03/21	0.60

The following directors made gains on exercise of options in the current and prior year:

B. van Bilderbeek: £nil (2014: £355k)

G. Stevens: £nil (2014: £212k)

NON-EXECUTIVE 2005 SHARE OPTION SCHEME

NAME	NO OF OPTIONS AT 30/06/13	GRANTED DURING 13/14	LAPSED DURING 13/14	EXERCISED DURING 13/14	NO OF OPTIONS AT 30/06/14	GRANTED DURING 14/15	LAPSED DURING 14/15
J. Thrall	40,169	–	–	–	40,169	–	–
G. Thompson	100,000	–	–	–	100,000	–	–
C. Fraser	100,000	–	–	–	100,000	–	–

NAME	EXERCISED DURING 14/15	NO OF OPTIONS AT 30/06/15	DATE OF GRANT	NO OF OPTIONS VESTED AT 30/06/15	EXPIRY DATE	EXERCISE PRICE (£)
J. Thrall	–	40,169	09/12/05	40,169	08/12/25	0.59
G. Thompson	–	100,000	08/06/10	100,000	07/06/20	0.60
C. Fraser	–	100,000	05/07/12	66,666	04/07/22	1.18

No options are expected to lapse at the AGM.

The exercise of the options granted on 5 July 2012 are subject to the following vesting conditions being satisfied:

Date Option capable of exercise	Number of Shares over which Option could be capable of exercise depending on TSR Growth
14 days after Company AGM following end of First Assessment Period – 1 July 2012 to 30 June 2013	Up to 1/3 of Shares under Option
14 days after Company AGM following end of Second Assessment Period – 1 July 2013 to 30 June 2014	Up to 1/3 of Shares under Option
14 days after Company AGM following end of Third Assessment Period – 1 July 2014 to 30 June 2015	Up to 1/3 of Shares under Option
14 days after Company AGM following end of Complete Assessment Period – 1 July 2012 to 30 June 2015	Up to all Shares under Option LESS Annual Shares already capable of exercise.

The lowest mid-market price of the Company's shares in the year to 30 June 2015 was 165.5p on 9 February 2015, and the high in the period to 30 June 2015 was 295.38p on 5 July 2014. The mid-market price on 30 June 2015 was 220p.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

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

By order of the Board

Ben van Bilderbeek
Chief Executive
27 October 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PLEXUS HOLDINGS PLC

We have audited the group financial statements of Plexus Holdings plc for the year ended 30 June 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes numbered 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit the financial

statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the financial and non-financial information in the Directors' Report, Chairman's Statement, Strategic Report, Corporate Governance Report, Remuneration Committee Report and any other surround information to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

OTHER MATTER

We have reported separately on the parent company financial statements of Plexus Holdings plc for the year ended 30 June 2015.

Matthew Stallabrass

Senior Statutory Auditor
for and on behalf of
Crowe Clark Whitehill LLP, Statutory Auditor
London
27 October 2015

"Research and Development ('R&D') spend, excluding cost of building test fixtures, increased by 46.7% to £3.47m"

PLEXUS HOLDINGS PLC ANNUAL REPORT 2015



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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 £'000	2014 £'000 As restated
REVENUE	3	28,526	27,024
Cost of sales		(8,581)	(7,817)
GROSS PROFIT		19,945	19,207
Administrative expenses		(14,925)	(13,928)
OPERATING PROFIT	5	5,020	5,279
Finance income	7	512	5
Finance costs	8	(182)	(124)
Share of profit of associate	14	236	215
Gain on disposal of associate	14	352	–
PROFIT BEFORE TAXATION		5,938	5,375
Income tax expense	9	(509)	(804)
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		5,429	4,571
Other comprehensive income		–	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		5,429	4,571
EARNINGS PER SHARE	11		
Basic		6.40p	5.44p
Diluted		6.16p	5.21p

All income arises from continuing operations

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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AT 30 JUNE 2015

	NOTES	2015 £'000	2014 £'000
ASSETS			
Goodwill	12	767	760
Intangible assets	13	13,167	10,437
Investment in associate	14	–	941
Property, plant and equipment	15	17,154	13,284
Deferred tax assets	9	–	751
TOTAL NON-CURRENT ASSETS		31,088	26,173
Inventories	16	6,551	5,256
Trade and other receivables	17	7,301	6,463
Cash and cash equivalents		3,328	6,353
TOTAL CURRENT ASSETS		17,180	18,072
TOTAL ASSETS		48,268	44,245
EQUITY AND LIABILITIES			
Called up share capital	19	849	849
Share premium account	19	20,141	20,138
Share based payments reserve	20	1,862	2,476
Retained earnings		15,628	11,117
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		38,480	34,580
LIABILITIES			
Deferred tax liabilities	9	212	–
Bank loans	23	5,975	4,000
TOTAL NON-CURRENT LIABILITIES		6,187	4,000
Trade and other payables	18	3,296	5,482
Current income tax liabilities		5	183
Bank loans	23	300	–
TOTAL CURRENT LIABILITIES		3,601	5,665
TOTAL LIABILITIES		9,788	9,665
TOTAL EQUITY AND LIABILITIES		48,268	44,245

These financial statements were approved and authorised for issue by the board of directors on 27 October 2015 and were signed on its behalf by:

B van Bilderbeek
Director
Company Number: 03322928

G Stevens
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	CALLED UP SHARE CAPITAL £'000	SHARE PREMIUM ACCOUNT £'000	SHARE BASED PAYMENTS RESERVE £'000	RETAINED EARNINGS £'000 As restated	TOTAL £'000
BALANCE AS AT 30 JUNE 2013	828	17,288	2,741	6,335	27,192
Total comprehensive income for the year	–	–	–	4,571	4,571
Share based payments reserve charge	–	–	26	–	26
Transfer of share based payments reserve charge on exercise of options	–	–	(599)	599	–
Tax credit recognised directly in equity	–	–	–	475	475
Issue of ordinary shares (net of issue costs)	21	2,850	–	–	2,871
Net deferred tax movement on share options	–	–	308	–	308
Dividends	–	–	–	(863)	(863)
BALANCE AS AT 30 JUNE 2014	849	20,138	2,476	11,117	34,580
Total comprehensive income for the year	–	–	–	5,429	5,429
Share based payments reserve charge	–	–	21	–	21
Transfer of share based payments reserve charge on exercise of options	–	–	(1)	1	–
Tax credit recognised directly in equity	–	–	–	2	2
Transfer of share based payments reserve charge on lapse of options	–	–	(38)	38	–
Issue of ordinary shares (net of issue costs)	–	3	–	–	3
Net deferred tax movement on share options	–	–	(596)	–	(596)
Dividends	–	–	–	(959)	(959)
BALANCE AS AT 30 JUNE 2015	849	20,141	1,862	15,628	38,480

CONSOLIDATED STATEMENT OF CASH FLOWS

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FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	2015 £'000	2014 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		5,938	5,375
Adjustments for:			
Depreciation, amortisation and impairment charges		3,881	3,405
Loss on disposal of property, plant and equipment		20	95
Charge for share based payments		21	26
Investment income		(512)	(5)
Interest expense		182	124
Share of result in associate		(236)	(215)
Gain on disposal of associate		(352)	-
Dividend received from associate		37	-
Changes in working capital:			
(Increase)/decrease in inventories		(1,295)	776
Increase in trade and other receivables		(838)	(1,541)
(Decrease)/increase in trade and other payables		(1,678)	256
CASH GENERATED FROM OPERATING ACTIVITIES		5,168	8,296
Income taxes paid		(318)	(353)
NET CASH GENERATED FROM OPERATING ACTIVITIES		4,850	7,943
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of associate		-	(726)
Proceeds from disposal of associate		1,492	-
Acquisition of subsidiary		(7)	-
Purchase of intangible assets		(3,541)	(2,403)
Purchase of property, plant and equipment		(7,016)	(3,016)
Proceeds of sale of property, plant and equipment		56	57
Interest received		4	5
NET CASH USED IN INVESTING ACTIVITIES		(9,012)	(6,083)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of loans		2,500	-
Repayment of loans		(225)	-
Net proceeds from issue of new ordinary shares		-	2,330
Proceeds from share options exercised		3	541
Interest paid		(182)	(124)
Equity dividends paid		(959)	(863)
NET CASH GENERATED FROM FINANCING ACTIVITIES		1,137	1,884
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	21	(3,025)	3,744
Cash and cash equivalents at 1 July 2014		6,353	2,609
CASH AND CASH EQUIVALENTS AT 30 JUNE 2015	22	3,328	6,353

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board as adopted by the European Union and therefore comply with the EU IAS Regulation and are in accordance with the Companies Act 2006.

The Directors have considered those standards and interpretations, which have not been applied in the financial statements but are relevant to the Group's operations, that are in issue but not yet effective and do not consider that any will have a material impact on the future results of the Group.

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

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

The directors, having made appropriate enquiries, have carefully considered the availability of working capital along with future orders and satisfied themselves that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group continues to adopt the going concern basis in preparing the financial statements.

Cost of sales includes salary and related costs for service personnel, and depreciation and refurbishment costs on rental assets.

b. Going concern

The Group's activities and an outline of the developments taking place in relation to its products, services and marketplace are considered in the Strategic Review on pages 28 to 45 along with an explanation of revenue, trading results and cash flows.

Note 23 to the Financial Statements sets out the company's financial risks and the management of capital risks.

At the year end, the Group had bank facilities of £7.275m comprising a £5m revolving credit facility repayable in September 2016, a £1m overdraft repayable on demand, and a term loan facility which had a balance of £1.275m, and which is repayable in quarterly instalments of £75k with the final repayment due by September 2019.

Post period end, the Group's cash position changed materially with the subscription by Jerih for new ordinary shares representing 5% of the issued share capital of Plexus for circa £8m

net of expenses. Furthermore, the Group's bank facilities have been renewed with Bank of Scotland Corporate and comprise of a £5m revolving credit facility, a £1m overdraft, and the remainder of the five year term loan running until September 2019.

Together with the profitable trading of the business, these funds and facilities are anticipated to provide sufficient funding for the foreseeable future.

Accordingly, after careful enquiry and review of available financial information, including projections of profitability and cash flows for the period to 31 October 2016, the Directors believe that the company has adequate resources to continue to operate for the foreseeable future and that it is therefore appropriate to continue to adopt the going concern basis of accounting in the preparation of the consolidated and company financial statements.

c. Basis of consolidation

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

Within twelve months of the date of acquisition of a subsidiary undertaking a re-assessment is made of the fair value of the assets and liabilities acquired in order to assess any provisional values used in initial accounting.

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

- Monetary assets and liabilities – at the rate of exchange applicable at the balance sheet date; and
- Income and expense items – at exchange rates applicable as of the date of recognition of those items. Non-monetary items are converted at the rate of exchange used to convert the related balance sheet items i.e. at the time of the transaction. Exchange gains and losses from the aforementioned conversion are recognised in the consolidated statement of comprehensive income.

d. Associate

An associate is an entity over which the group is in a position to exercise significant influence through participation in the financial and operating policy decisions of the investee, but that is not a subsidiary or a jointly controlled entity.

The results, assets and liabilities of an associate are incorporated in these financial statements using the equity method of accounting. Under the equity method, the investment in an associate entity is carried in the balance sheet at cost, plus post-acquisition changes in the group's share of net assets of the associate, less distributions received and less any impairment in value of the investment. The group income statement reflects the group's share of the results after tax of the associate entity. The group statement of other comprehensive income reflects the group's share of any income and expense recognised by the associate entity outside profit and loss.

Financial statements of associate entities are prepared for the same reporting year as the group. Where necessary, adjustments are made to those financial statements to bring the accounting policies used into line with those of the group.

Unrealised gains on transactions between the group and its associate entities are eliminated to the extent of the group's interest in the associate entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The group assesses investments in associate entities for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

The group ceases to use the equity method of accounting on the date from which it no longer has joint control over, or significant influence in the associate, or when the interest becomes held for sale.

e. Revenue

Revenue represents the amounts (excluding value added tax) derived from wellhead rentals and sales of wellheads, plus associated equipment and services.

Income from rental contracts is recognised over the period of the rental on a straight-line basis. Income from equipment sales is recognised following product acceptance by the customer. Income from services is recognised over the period of performance of the services. Income from construction contracts is recognised in accordance with paragraph (n) below.

f. Income taxes and deferred taxation

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

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

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

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

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

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

g. Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable assets acquired) arising on business combinations in respect of acquisitions is capitalised.

Goodwill is not amortised, it is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment at least annually.

The recoverable amount of the goodwill has been determined on a value in use basis.

The key assumptions on which the valuation is based are that:

- Industry acceptance will result in continued growth of the business;
- Prices will rise with inflation; and
- Staff wage inflation will be higher than general inflation but will not rise in line with sales.

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

The cash flows are based upon an 11 year period which is the period covered by the relevant patents, and, in accordance with historical trends and current expectations, a revenue growth rate of 5-10% has been applied to periods beyond the current budget. The company's Weighted Average Cost of Capital for discounting purposes has been measured at 8.65%. The cashflows are based upon approved budgets for the following 12 months, beyond this they are based upon management's expectations of future developments.

Management regularly assesses the sensitivity of the key assumptions and the probability that any of them would change to the degree that the carrying value would exceed the recoverable amount.

h. Intangible assets and amortisation

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

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

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

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

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

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

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

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

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The key assumptions on which the valuation is based are that:

- Industry acceptance will result in continued growth of the business;
- Prices will rise with inflation; and
- Staff wage inflation will be higher than general inflation but will not rise in line with sales.

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

The cash flows are based upon an 11 year period, the remaining life of the Intellectual Property, and a revenue growth rate of 5-10% has been applied to periods beyond the current budget. The company's Weighted Average Cost of Capital for discounting purposes has been measured at 8.65%. The cashflows are based upon approved budgets for the following 12 months, beyond this they are based upon management's expectations of future developments.

It would require a substantial movement (over 30%) in any of these assumptions before there would be any impairment to intangible assets.

An impairment loss is recognised immediately in the Statement of Comprehensive Income.

i. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost represents the cost of acquisition or construction, including the direct cost of financing the acquisition or construction until the asset comes into use.

Depreciation is provided to write off the cost or valuation of property, plant and equipment less the estimated residual value by equal instalments over their estimated useful economic lives as follows:

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

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

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

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

j. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

k. Foreign currencies

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

The functional currency of the Group is pounds sterling.

l. Leases

Operating lease rentals are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease. Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

m. Inventory

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

n. Construction contracts and work in progress

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Revenue for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the Statement of Comprehensive Income, after deducting foreseeable losses and payments on account not matched with revenue.

Construction work in progress is included in debtors and represent revenue recognised in excess of payments on account. Where payments on account exceed revenue a payment received on account is established and included within creditors.

The stage of completion for contracts is determined according to the level of progress of each item that is included in the contract and the estimated cost to complete.

o. Pensions

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

p. Dividends

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

q. Classification of financial instruments issued by the Group

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

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

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

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

r. Share based payments

The Group issues share options to directors and employees, which are measured at fair value at the date of grant. The fair value of the equity settled options determined at the grant date is expensed on a straight line basis over the vesting period based on an estimate of the number of options that will actually vest. The Group has adopted a Stochastic model

to calculate the fair value of options, which enables the Total Shareholder Return (TSR) performance condition attached to the awards to be factored into the fair value calculation.

s. Management of capital

The Group's capital is composed of share capital and retained earnings along with a share premium account. The share premium account represents amounts received for shares issued in excess of the nominal share capital less any issue costs.

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

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

t. Significant judgements made by management

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

u. Key assumptions and sources of estimation

Employee share options are valued in accordance with a Stochastic model and judgement is required regarding the choice of some of the inputs to the model. Where doubts have existed, management have gone with the advice of experts. Variations in the estimated inputs would vary the charges to the consolidated statement of comprehensive income. Full details of the model and inputs are provided in note 20.

The estimated life of the Group's rental assets for depreciation purposes is of significance to the financial statements. The life used is with reference to engineering experience of the probable physical and commercial lifespans of the assets. Changes to these estimates can result in significant variations in the carrying value and amounts charged to the consolidated statement of comprehensive income in specific periods.

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

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

When measuring goodwill and intangible assets for impairment a range of assumptions are required and these are detailed above in the Goodwill and Intangible Asset notes above.

2. PRIOR PERIOD ADJUSTMENT

The comparatives for the year ended 30 June 2014 have been adjusted to correct the accounting treatment in relation to a tax credit received of £475k arising on the exercise of share options. This credit was originally recognised within 'Income Tax Expense' in the Consolidated Statement of Comprehensive Income whereas the amount should have been recognised directly in Equity in accordance with IAS 12 Income Taxes. This adjustment arose following a review of the Group's Annual Report and Accounts for the year ended 30 June 2014 by the Financial Reporting Council's Conduct Committee.

The effect of the restatement in the year to 30 June 2014 has been to increase the income tax expense within the Consolidated Statement of Comprehensive Income by £475k, thereby reducing profit after tax by the same amount. This has had the effect of decreasing basic and diluted earnings per share to 5.44p and 5.21p respectively (basic earnings per share: 6.01p; diluted earnings per share: 5.75p as originally reported).

This adjustment has had no impact on net assets, tax payable, or the cash flow statement of the prior year and no impact on opening reserves in either the current or the prior period.

3. REVENUE

	2015 £'000	2014 £'000
BY GEOGRAPHICAL AREA		
UK	10,591	9,892
Europe	14,471	6,905
Rest of World	3,464	10,227
	28,526	27,024

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

4. SEGMENT REPORTING

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

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

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

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

	2015 £'000	2014 £'000
Customer 1	4,224	692
Customer 2	4,175	2,265
Customer 3	3,593	3,576
Customer 4	3,356	1,712
Customer 5	3,342	1,642

5. GROUP OPERATING PROFIT

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

	2015 £'000	2014 £'000
Depreciation of tangible assets	3,070	2,748
Amortisation of intangible assets:		
– Intellectual property rights	329	330
– Research and development	454	308
– Computer software	28	19
Operating lease charges:		
– land and buildings	554	521
– other	147	91
Foreign currency exchange loss/(gain)	68	(35)
Loss on disposal of property, plant and equipment	20	95
Directors' emoluments	1,552	1,456
Inventories recognised as expense	2,368	2,016
Inventory write down provision	105	200
Auditors' remuneration:		
Fees payable to the Company's auditors for:		
The audit of the Company's annual accounts	10	16
The audit of the Company's subsidiary pursuant to legislation	30	30
Audit related assurance services	3	2
Total audit fees	43	48

Key management are considered to be the Board of Directors and details of Directors' remuneration are given in the remuneration report on page 56 and this forms part of the financial statements.

6. STAFF NUMBERS AND COSTS

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

	2015 Number	2014 Number
Management	12	11
Technical	104	100
Administrative	38	31
	154	142

The aggregate payroll costs of these persons were as follows:

	2015 £'000	2014 £'000
Wages and salaries	10,005	9,973
Social security costs	867	749
Pension contributions to defined contribution plans	443	355
Share based payments	21	24
	11,336	11,101

Details of Directors remuneration is given in the remuneration report on page 56 and this forms part of the financial statements.

7. FINANCE INCOME

	2015 £'000	2014 £'000
Other interest	4	5
Derecognition of financial liability	508	–
	512	5

The derecognition of a financial liability of £508k (2014: nil) relates at the end of a contract where no legal liability remains. This is a non-cash transaction.

8. FINANCE COSTS

	2015 £'000	2014 £'000
On bank loans and overdraft	182	119
Other interest	–	5
	182	124

9. INCOME TAX EXPENSE

	2015 £'000	2014 £'000 As restated
--	---------------	------------------------------

(i) The taxation charge for the year comprises:

UK CORPORATION TAX:

Current tax on income for the year	353	958
Adjustment in respect of prior years	(483)	(350)
	(130)	608

FOREIGN TAX

Current tax on income for the year	263	81
Adjustment in respect of prior years	9	13
	272	94
TOTAL CURRENT TAX	142	702

DEFERRED TAX:

Origination and reversal of timing differences including share options	286	(42)
Adjustment in respect of prior years	81	144
TOTAL DEFERRED TAX	367	102

TOTAL TAX CHARGE

	509	804
The effective rate of tax is 9% (2014: 15%)		

(ii) Factors affecting the tax charge for the year

Profit on ordinary activities before tax	5,938	5,375
Tax on profit at standard rate of UK corporation tax of 20.75% (2014: 22.5%)	1,232	1,209
Effects of:		
Expenses not deductible for tax purposes	187	217
Income from and gain on sale of associate not subject to tax	(122)	(48)
Derecognition of financial liability not subject to tax	(105)	–
Effect of R&D tax credits	(521)	(279)
Effect of change in tax rate	(10)	(128)
Tax adjustments on share based payments	1	26
Foreign tax rates	240	–
Adjustments in respect of prior year	(393)	(193)
Total tax charge	509	804

	2015 £'000	2014 £'000 As restated
--	-----------------------------	------------------------------

(iii) Movement in deferred tax liability/(asset) balance

Deferred tax asset at beginning of year	(751)	(545)
Charge to Statement of Comprehensive Income	367	102
Deferred tax movement on share options recognised in equity	596	(308)
Deferred tax liability/(asset) at end of year	212	(751)

(iv) Deferred tax liability/(asset) balance

The deferred tax liability/(asset) balance is made up of the following items:

Difference between depreciation and capital allowances	1,600	1,232
Share based payments	(1,361)	(1,956)
Tax losses	(27)	(27)
Deferred tax liability/(asset) at end of year	212	(751)

10. DIVIDENDS

	2015 £'000	2014 £'000
Ordinary Shares		
Interim paid for the period to 31 December 2014 of 0.51p (2014: 0.48p) per share	433	407
Ordinary Shares		
Final dividend for the year ended 30 June 2015 of 1.75p (2014: 0.62p) per share	1,564	526

The proposed final dividend has not been accrued at the statement of financial position date in accordance with IFRS.

11. EARNINGS PER SHARE

	2015 £'000	2014 £'000 As restated
Profit attributable to shareholders	5,429	4,571

	Number	Number
Weighted average number of shares in issue	84,896,300	83,991,918
Dilution effects of share schemes	3,205,091	3,728,098
Diluted weighted average number of shares in issue	88,101,391	87,720,016
Basic earnings per share	6.40p	5.44p
Diluted earnings per share	6.16p	5.21p

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

Diluted earnings per share calculations include additional shares to reflect the dilutive effect of employee share schemes and share option schemes.

The comparative year EPS has been restated in accordance with note 2 to the financial statements.

12. GOODWILL

	£'000
COST	
As at 1 July 2013	760
Additions	–
As at 30 June 2014	760
Additions	7
AS AT 30 JUNE 2015	767
IMPAIRMENT	
As at 1 July 2013	–
As at 30 June 2014	–
AS AT 30 JUNE 2015	–
NET BOOK VALUE	
AS AT 30 JUNE 2015	767
As at 30 June 2014	760

Note 1(g) provides information on the Goodwill.

13. INTANGIBLE FIXED ASSETS

	INTELLEC- TUAL PROPERTY £'000	PATENT AND OTHER DEVELOP- MENT £'000	COMPUTER SOFTWARE £'000	TOTAL £'000
COST				
As at 1 July 2013	6,440	5,353	190	11,983
Additions	–	2,367	36	2,403
As at 30 June 2014	6,440	7,720	226	14,386
Additions	–	3,473	68	3,541
AS AT 30 JUNE 2015	6,440	11,193	294	17,927
AMORTISATION				
As at 1 July 2013	2,362	781	149	3,292
Charge for the year	330	308	19	657
As at 30 June 2014	2,692	1,089	168	3,949
Charge for the year	329	454	28	811
AS AT 30 JUNE 2015	3,021	1,543	196	4,760
NET BOOK VALUE				
AS AT 30 JUNE 2015	3,419	9,650	98	13,167
As at 30 June 2014	3,748	6,631	58	10,437

Patent and other development costs are internally generated.

14. INVESTMENTS

Included within the consolidated group accounts are the following subsidiary and associated undertakings:

SUBSIDIARY UNDERTAKING	COUNTRY OF REGISTRATION	NATURE OF BUSINESS	PERCENTAGE OF ORDINARY SHARES HELD
Plexus Ocean Systems Limited	Scotland	Supply of wellheads and associated equipment for oil and gas drilling	100%
Plexus Limited	Scotland	Dormant	100%
Plexus Holdings USA, Inc.	USA	Investment Holding	100%
Plexus Ocean Systems US, LLC	USA	Investment Holding	100%
Plexus Deepwater Technologies Limited	USA	Dormant	100%
Plexus Response Services Limited	Turks and Caicos Islands	Commercial exploitation of subsea applications	100%
Plexus Subsea International Limited	Turks and Caicos Islands	Commercial exploitation of subsea applications	100%
Plexus Ocean Systems (Malaysia) Sdn Bhd	Malaysia	Supply of wellheads and associated equipment for oil and gas drilling	100%
Plexus Ocean Systems (Brunei) Sdn Bhd	Brunei	Supply of wellheads and associated equipment for oil and gas drilling	100%
Plexus Ocean Systems (Singapore) Pte. Ltd.	Singapore	Supply of wellheads and associated equipment for oil and gas drilling	100%
Afrotel Corporation Ltd	Turks and Caicos Islands	Investment Holding	100%
ASSOCIATE UNDERTAKING	COUNTRY OF REGISTRATION	NATURE OF BUSINESS	PERCENTAGE OF ORDINARY SHARES HELD
KSW Engineering Limited	Scotland	Manufacturer of specialist oil and gas equipment	25% (disposed of in the year)

The group's investments are unlisted.

The summary financial information of the Group's associate, extracted on a 100% basis from the accounts prepared under IFRS for the year ended 30 June are as follows:

	11 MONTHS TO 31 MAY 2015 £'000	11 MONTHS TO 30 JUNE 2014 £'000
Non-current Assets	N/A	5,223
Current Assets	N/A	3,241
Non-current Liabilities	N/A	2,561
Current Liabilities	N/A	2,476
Revenue	8,394	8,158
Profit and total comprehensive income	944	862

VALUE OF ASSOCIATE INVESTMENT	£'000
Investment in associate at 30 June 2014	941
Share of profit of associate in the year	236
Dividend received from associate	(37)
Gain on disposal of associate	352
Proceeds from disposal of associate	(1,492)
INVESTMENT IN ASSOCIATE AT 30 JUNE 2015	–

The interest in associate was purchased on 22 July 2013 and disposed of on 25 June 2015, hence 11 months results are disclosed.

15. PROPERTY, PLANT AND EQUIPMENT

	BUILD- INGS £'000	TENANT IMPROVE- MENTS £'000	EQUIP- MENT £'000	ASSETS UNDER CONSTRUC- TION £'000	MOTOR VEHICLES £'000	TOTAL £'000
COST						
As at 1 July 2013	972	353	22,594	659	42	24,620
Additions	2	77	430	2,505	2	3,016
Transfers	–	–	2,904	(2,904)	–	–
Disposals	–	–	(535)	–	–	(535)
As at 30 June 2014	974	430	25,393	260	44	27,101
Additions	3,405	2	1,544	2,054	11	7,016
Transfers	–	–	2,140	(2,140)	–	–
Disposals	–	–	(533)	–	(7)	(540)
AS AT						
30 JUNE 2015	4,379	432	28,544	174	48	33,577
DEPRECIATION						
As at 1 July 2013	325	76	11,028	–	23	11,452
Charge for the year	80	50	2,612	–	6	2,748
On disposals	–	–	(383)	–	–	(383)
As at 30 June 2014	405	126	13,257	–	29	13,817
Charge for the year	153	56	2,854	–	7	3,070
On disposals	–	–	(461)	–	(3)	(464)
AS AT						
30 JUNE 2015	558	182	15,650	–	33	16,423
NET BOOK VALUE						
AS AT 30						
JUNE 2015	3,821	250	12,894	174	15	17,154
As at 30 June 2014	569	304	12,136	260	15	13,284

16. INVENTORIES

	2015	2014
	£'000	£'000
Raw materials and consumables	2,265	1,621
Work in progress	124	296
Finished goods and goods for resale	4,162	3,339
	6,551	5,256

17. TRADE AND OTHER RECEIVABLES

	2015	2014
	£'000	£'000
Trade receivables	6,562	5,743
Prepayments and other amounts	739	720
	7,301	6,463

The ageing of trade receivables at the year end was:

Not past due	5,248	2,200
Past due 0-30 days	1,022	2,646
Past due 30+ days	292	897
	6,562	5,743

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

18. TRADE AND OTHER PAYABLES

	2015	2014
	£'000	£'000
Trade payables	1,430	1,777
Non trade payables and accrued expenses	1,866	3,705
	3,296	5,482

The maturity of ageing of trade and other payables at the year end was:

Due within 30 days	1,699	2,031
Due in 30 – 90 days	870	568
Due in 90 days – 6 months	727	2,883
Due in 6 months – One year	–	–
	3,296	5,482

Trade and other payables are classified as other financial liabilities and are held at amortised cost. The carrying value approximates fair value.

19. SHARE CAPITAL

	2015 £'000	2014 £'000
AUTHORISED:		
Equity: 110,000,000 (2014: 110,000,000) Ordinary shares of 1p each	1,100	1,100
ALLOTTED, CALLED UP AND FULLY PAID:		
Equity: 84,902,196 (2014: 84,892,673) Ordinary shares of 1p each	849	849

SHARE ISSUE DURING THE YEAR:	NUMBER OF SHARES	SHARE CAPITAL £'000	SHARE PREMIUM £'000	TOTAL £'000
At 30 June 2014	84,892,673	849	20,138	20,987
On 12 February 2015	9,523	–	3	3
At 30 June 2015	84,902,196	849	20,141	20,990

During the period the Group issued new shares as a result of the following transactions:

	NUMBER OF SHARES	PRICE PER SHARE	AGGREGATE NOMINAL VALUE £	TOTAL AGGREGATE VALUE £
12 FEBRUARY 2015				
– Share options	9,523	38.5p	95	3,666

The excess net proceeds have been credited to the share premium account.

20. SHARE BASED PAYMENTS

Share options have been granted to subscribe for ordinary shares, which are exercisable between 2006 and 2025 at prices ranging from £0.385 to £1.18. At 30 June 2015, there were 4,077,739 options outstanding.

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

On 9 July 2015 the directors approved an amendment to the rules of the scheme such that the Company is permitted to extend the exercise period for options granted under the

scheme by a further ten years. Subsequently on 9 July 2015 the Company entered into deeds of amendment with Ben van Bilderbeek, Graham Stevens, Craig Hendrie, J. Jeffrey Thrall and one employee in respect of options granted to them on 9 December 2005 under the scheme, to enable each holder to exercise these particular options up until 8 December 2025, subject to all other terms of the scheme rules.

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

	NO OF SHARES	2015 WEIGHTED AVERAGE EXERCISE PRICE	NO OF SHARES	2015 WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at the beginning of the period	4,172,540	0.53	5,300,522	0.52
Granted during the period	–	–	–	–
Lapsed due to failure to meet TSR criteria during the period	–	–	–	–
Forfeited during the period by leaving employment	(85,278)	0.56	(24,389)	0.59
Exercised during the period	(9,523)	0.385	(1,103,593)	0.49
Outstanding at the end of the period	4,077,739	0.53	4,172,540	0.53
Exercisable at the end of the period	4,044,405	0.52	4,105,873	0.52

The weighted average share price at the time of exercise was £1.81 (2014: £2.77).

The aggregate of the estimated fair values of the options granted that are outstanding at 30 June 2015 is £740k (2014: £755k). The inputs to the Stochastic model for the computation of the fair value of the options are as follows:

Share price at date of grant	varies from	£0.385 to £1.18
Option exercise price at date of grant	varies from	£0.385 to £1.18
Expected volatility	varies from	35.7% to 76.6%
Expected term	varies from	4.5 years to 6.3 years
Risk-free interest rate	varies from	0.4% to 5.7%
Expected dividend yield		0% to 1.7%

At the time of granting the older options, in the absence of sufficient historical share price data for the Company, expected volatility was calculated by analysing the median share price volatility for similar companies prior to grant for the period of the expected term. Since then sufficient historical share price data has been built up to enable the expected volatility to be based upon the Company's own share price volatility. The expected term used has been adjusted based on the management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. The risk-free interest rate is taken as the implied yield at grant available on government securities with a remaining term equal to the average expected term. At the time of granting the older options, no dividends had been paid and the directors did not envisage paying one therefore the dividend yield was 0%. Since then the directors have introduced a dividend policy and at the time of the grants awarded the expected dividend yield varies between 1.2% to 1.7%.

The Stochastic model for the fair value of the options incorporates the TSR criteria into the measurement of fair value.

The Group has recognised an expense in the current year of £21k (2014: £26k) towards equity settled share based payments.

The weighted average contractual life of the share options outstanding at the end of the period is 3 years and 11 months.

21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH/(DEBT)

	2015 £'000	2014 £'000
(Decrease)/increase in cash in the year	(3,025)	3,744
Cash inflow from increase in net debt	(2,275)	–
Movement in net cash/(debt) in year	(5,300)	3,744
Net cash/(debt) at start of year	2,353	(1,391)
Net (debt)/cash at end of year	(2,947)	2,353

22. ANALYSIS OF NET CASH/(DEBT)

	AT BEGINNING OF YEAR £'000	CASH FLOW £'000	AT END OF YEAR £'000
Cash in hand and at bank	6,353	(3,025)	3,328
Bank loans	(4,000)	(2,275)	(6,275)
Total	2,353	(5,300)	(2,947)

23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Treasury management

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

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

(a) Market risks**(i) Foreign currency exchange risk**

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

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

The Group's main foreign exchange risk relates to movements in the sterling/US dollar and sterling/euro exchange rates. Movements in these rates impact the translation of US dollar and euro denominated net assets.

As the Group does not use foreign exchange hedges, the consolidated statement of comprehensive income would be affected by a gain/loss of approximately £241k (2014: £(48)k) by a reasonably possible 10 percentage point fluctuation down/up in the exchange rate between sterling and the US dollar, and by a gain/loss of approximately £79k (2014: £18k) by a reasonably possible 10 percentage point fluctuation down/up in the exchange rate between sterling and the euro, by a gain/loss of approximately £38k (2014: £18k) by a reasonably possible 10 percentage point fluctuation down/up in the exchange rate between sterling and the Malaysian Ringgit.

(ii) Interest rate risk

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

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

The consolidated income statement would be affected by gain/loss £48k (2014: £40k) by a reasonably possible 1 percentage point change down/up in LIBOR interest rates on a full year basis.

(iii) Price risk

The Group is not exposed to any significant price risk in relation to its financial instruments.

(b) Credit risk

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

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

The Group's major customers are typically large companies which have strong credit ratings assigned by international credit rating agencies. Where a customer does not have sufficiently

strong credit ratings, alternative forms of security such as the trade finance instruments referred to above may be obtained. The Group's customer base is concentrated on a few major companies but management believe that the calibre of these companies means that no material credit risk provision is required.

Management review trade receivables across the Group based on receivable days calculations to assess performance. There is significant management focus on receivables that are overdue. All receivables are with large corporations with good credit history with which the entity has not experienced any recoverability issues in the past. No debtor allowance has been provided for within the accounts.

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

The currency composition of trade receivable at the year end was:

	2015 £'000	2014 £'000
Sterling	4,605	5,376
US Dollar	1,777	65
Euro	180	108
Australian Dollars	—	194
	6,562	5,743

(c) Liquidity risk

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

Financial assets and liabilities

The interest rate and currency profiles of the Group's financial assets at 30 June were as follows:

		FLOATING RATES £'000	NON- INTEREST BEARING £'000	BOOK AND FAIR VALUE £'000
30 JUNE 2015				
Cash and liquid resources	– Sterling	1,589	–	1,589
	– US Dollar	560	73	633
	– Euro	616	–	616
	– Malaysian Ringgit	–	381	381
	– Singapore Dollars	–	109	109
		2,765	563	3,328
30 JUNE 2014				
Cash and liquid resources	– Sterling	5,051	–	5,051
	– US Dollar	38	45	83
	– Euro	72	–	72
	– Malaysian Ringgit	–	1,142	1,142
	– Brunei Dollar	–	5	5
		5,161	1,192	6,353

At 30 June 2015 the Group had £3,328k of cash. The average rate of interest earned in the year is on a floating rate basis and ranged between 0% and 0.1% on sterling deposits.

Cash is categorised as loans and receivables.

The Group has facilities of £7,275k that are secured by a fixed and floating charge over the assets of the Group. At 30 June 2015 the Group had drawn £6,275k on those facilities. The interest payable is on a floating rate basis and ranged between 3.0% and 3.1% in the year. The facility comprises of a £5,000k revolving credit facility repayable in September 2016, a balance of £1,275k outstanding on a term loan repayable over the period to September 2019 and a £1,000k overdraft repayable on demand.

The interest rate and currency profiles of the Group's financial liabilities at 30 June 2015 are as follows:

	FLOATING RATES £'000	NON- INTEREST BEARING £'000	BOOK AND FAIR VALUE £'000
30 JUNE 2015			
Bank revolving credit facility – Sterling	5,000	–	5,000
Bank term loan – Sterling	1,275	–	1,275

30 JUNE 2014			
Bank revolving credit facility – Sterling	4,000	–	4,000

Maturity of Financial Liabilities:

	DUE WITHIN 1 YEAR £'000	DUE BETWEEN 2–5 YEARS £'000	DUE AFTER 5 YEARS £'000	TOTAL £'000
30 JUNE 2015				
Bank revolving credit facility – Sterling	–	5,000	–	5,000
Bank term loan – Sterling	300	975	–	1,275
Total	300	5,975	–	6,275
30 JUNE 2014				
Bank revolving credit facility – Sterling	–	4,000	–	4,000

Bank borrowings are other financial liabilities which are measured at amortised cost. The carrying value approximates fair value.

24. OPERATING LEASE COMMITMENTS/FINANCIAL COMMITMENTS

Operating lease commitments where the group is the lessee

The Group has the following total future lease payments under non-cancellable operating leases:

	2015 £'000	2014 £'000
Within one year	334	386
Within two to five years	378	175
After five years	–	–
	712	561

The Group had no capital commitments as at 30 June 2015 (2014: The Group had a capital commitment to acquire a facility for £2,400k).

25. CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 30 June 2015 (30 June 2014: £nil).

26. POST BALANCE SHEET EVENTS

Subsequent to the year end, the Company entered into a Subscription Agreement with Jerih International (Hong Kong) Co. Ltd. ("Jerih") dated 1st July 2015. Under the Subscription Agreement, Jerih subscribed for 5% of the enlarged share capital of the Company; the number of shares subscribed for was 4,468,537 at a price of 180p per share. The total number of shares in issue following this subscription, and as at the date of this report, is 89,370,733.

27. RELATED PARTY TRANSACTIONS

Control

At 30 June 2015, Plexus Holdings plc was controlled by Mutual Holdings Limited, a company incorporated in the Turks and Caicos Islands. Subsequent to the issue of shares as detailed in Note 26 above, Mutual Holdings Limited no longer owns a controlling interest in the Company.

Ultimate parent company

At 30 June 2015, the ultimate parent company was Mutual Holdings Limited, a company incorporated in the Turks and Caicos Islands. Subsequent to the issue of shares as detailed in Note 26 above, Mutual Holdings Limited no longer owns a controlling interest in the Company and there is no ultimate parent company.

The Group is not consolidated into Mutual Holdings Limited. No other group financial statements include the results of the Company. The financial statements of Mutual Holdings Limited are not available to the public.

Transactions

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

	2015 £'000	2014 £'000
Purchase of goods and services from Other Related Parties	448	426
Payables to Other Related Parties	29	–

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

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

28. GENERAL INFORMATION

These financial statements are for Plexus Holdings plc ("the company") and subsidiary undertakings. The company is registered, and domiciled, in England and Wales and incorporated under the Companies Act 2006. The nature of the company's operations and its principal activities are set out in the strategic report on page 28 and the directors' report on page 50.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PLEXUS HOLDINGS PLC

We have audited the parent company financial statements of Plexus Holdings plc for the year ended 30 June 2015 which comprise the Parent Company Statement of Financial Position, the Parent Company Statement of Changes in Equity, the Parent Company Statement of Cash Flows and the related notes numbered 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit the financial

statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the financial and non-financial information in the Directors' Report, Chairman's Statement, Strategic Report, Corporate Governance Report, Remuneration Committee Report and other surround information to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015;
- have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

OTHER MATTER

We have reported separately on the group financial statements of Plexus Holdings plc for the year ended 30 June 2015.

Matthew Stallabrass

Senior Statutory Auditor
for and on behalf of
Crowe Clark Whitehill LLP, Statutory Auditor
London
27 October 2015

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	NOTES	2015 £'000	2014 £'000
ASSETS			
Intangible assets	4	12,450	9,700
Investments	5	8,294	8,294
TOTAL NON-CURRENT ASSETS		20,744	17,994
Trade and other receivables	6	4,575	4,222
Cash at bank and in hand	9	9	786
TOTAL CURRENT ASSETS		4,584	5,008
TOTAL ASSETS		25,328	23,002
EQUITY AND LIABILITIES			
Called up share capital	8	849	849
Share premium account	8	20,141	20,138
Share based payments reserve		864	892
Retained earnings		2,689	330
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		24,543	22,209
LIABILITIES			
Deferred tax liabilities		595	147
TOTAL NON-CURRENT LIABILITIES		595	147
Trade and other payables	7	190	646
Current income tax liabilities		–	–
TOTAL CURRENT LIABILITIES		190	646
TOTAL LIABILITIES		785	793
TOTAL EQUITY AND LIABILITIES		25,328	23,002

These financial statements were approved and authorised for issue by the board of directors on 27 October 2015 and were signed on its behalf by:

B van Bilderbeek
Director
Company Number: 03322928

G Stevens
Director

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

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FOR THE YEAR ENDED 30 JUNE 2015

	CALLED UP SHARE CAPITAL £'000	SHARE PREMIUM ACCOUNT £'000	SHARE BASED PAYMENTS RESERVE £'000	RETAINED EARNINGS £'000 As restated	TOTAL £'000
BALANCE AS AT 30 JUNE 2013	828	17,288	930	(678)	18,368
Total comprehensive income for the year	–	–	–	1,529	1,529
Share based payments reserve charge	–	–	26	–	26
Transfer of share based payments reserve charge on exercise of options	–	–	(214)	214	–
Tax credit recognised directly in equity	–	–	–	128	128
Issue of ordinary shares	21	2,850	–	–	2,871
Net deferred tax movement on share options	–	–	150	–	150
Dividends	–	–	–	(863)	(863)
BALANCE AS AT 30 JUNE 2014	849	20,138	892	330	22,209
Total comprehensive income for the period	–	–	–	3,294	3,294
Share based payments reserve charge	–	–	21	–	21
Transfer of share based payments reserve charge on exercise of options	–	–	–	–	–
Transfer of share based payments charge on lapse of options	–	–	(24)	24	–
Issue of ordinary shares (net of issue costs)	–	–	3	–	–3
Deferred tax movement relating to share options	–	–	(25)	–	(25)
Dividends	–	–	–	(959)	(959)
BALANCE AS AT 30 JUNE 2015	849	20,141	864	2,689	24,543

BUSINESS REVIEW

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PARENT COMPANY STATEMENT OF CASH FLOWS

AT 30 JUNE 2015

	NOTES	2015 £'000	2014 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		3,717	1,775
Adjustments for:			
Amortisation		723	578
Charge for share based payments		21	26
Investment income		(624)	(104)
Changes in working capital:			
Increase in trade and other receivables		(353)	(1,184)
Increase/(decrease) in trade and other payables		52	(62)
CASH GENERATED FROM OPERATIONS		3,536	1,029
Income taxes paid		–	–
NET CASH GENERATED FROM OPERATIONS		3,536	1,029
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets		(3,473)	(2,367)
Interest received		116	104
NET CASH USED IN INVESTING ACTIVITIES		(3,357)	(2,263)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of new ordinary shares		–	2,330
Proceeds from share options exercised		3	541
Equity dividends paid		(959)	(863)
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		(956)	2,008
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(777)	774
Cash and cash equivalents at 1 July 2014		786	12
CASH AND CASH EQUIVALENTS AT 30 JUNE 2015	9	9	786

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of preparation

The company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board as adopted by the European Union and they therefore comply with Article 4 of the EU IAS Regulation and are in accordance with the Companies Act 2006.

The Directors have considered those standards and interpretations, which have not been applied in the financial statements but are relevant to the Company's operations, that are in issue but not yet effective and do not consider that any will have a material impact on the future results of the Company.

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

The financial information has been prepared under the historical cost convention.

The directors, having made appropriate enquiries, believe that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company continues to adopt the going concern basis in preparing the financial statements.

b. Income taxes and deferred taxation

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

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

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

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

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

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

c. Intangible assets and amortisation

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

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

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

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

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

The carrying value of intangible assets is reviewed on an on-going basis by the directors and, where appropriate, provision is made for any impairment in value. It would require a substantial movement (over 30%) in the assumptions employed in valuations before there would be any impairment to intangible assets.

d. Investments

The investment in subsidiary and associate undertakings is stated at cost less provision for impairment. Cost is the amount of cash paid or the fair value of the consideration given to acquire the investment. Income from such investments is recognised only to the extent that the Company receives distributions from accumulated profits of the investee company arising after the date of acquisition. Distributions received in excess of such profit i.e. from pre-acquisition reserves are regarded as a recovery of investment and are recognised as a reduction of the cost of the investment.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

f. Foreign currencies

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

g. Pensions

The Group offers a contributory Group stakeholder pension scheme, into which the Group will make matching contributions up to a pre-agreed level of base salary; the scheme is open to executive directors and permanent employees. Directors may choose to have contributions paid into personal pension plans. Prior to 1 July 2007, the Group offered a basic stakeholder pension scheme, into which the Group did not make employer contributions; none of the directors or employees were members.

h. Dividends

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

i. Classification of financial instruments issued by the Group

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

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

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the

Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

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

j. Share based payments

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

k. Key assumptions and sources of estimation

Employee share options are valued in accordance with a Stochastic model and judgement is required regarding the choice of some of the inputs to the model. Where doubts have existed, management have gone with the advice of experts. Full details of the model and inputs are provided in note 20 to the Group accounts.

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

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

2. PRIOR PERIOD ADJUSTMENT

The comparatives for the year ended 30 June 2014 have been adjusted to correct the accounting treatment in relation to a tax credit received of £128k arising on the exercise of share options. This credit was originally recognised within 'Income Tax Expense' in the Consolidated Statement of Comprehensive Income whereas the amount should have been recognised directly in Equity in accordance with IAS 12 Income Taxes. This adjustment arose following a review of the Group's Annual Report and Accounts for the year ended 30 June 2014 by the Financial Reporting Council's Conduct Committee.

The effect of the restatement in the year to 30 June 2014 has been to increase the income tax expense within the Consolidated Statement of Comprehensive Income by £128k, thereby reducing profit after tax by the same amount.

This adjustment has had no impact on net assets, tax payable, or the cash flow statement of the prior year and no impact on opening reserves in either the current or the prior period.

3. PROFIT FOR THE YEAR

As permitted by section 480(4) of the Companies Act 2006, the parent company's Statement of Comprehensive Income has not been included in these financial statements. The parent company's profit after tax for the year was £3,294k (2014: profit of £1,529k as restated).

4. INTANGIBLE FIXED ASSETS

	INTELLECTUAL PROPERTY £'000	PATENT AND OTHER DEVELOPMENT £'000	TOTAL £'000
COST			
As at 1 July 2013	4,171	5,086	9,257
Additions	–	2,367	2,367
As at 30 June 2014	4,171	7,453	11,624
Additions	–	3,473	3,473
AS AT 30 JUNE 2015	4,171	10,926	15,097
AMORTISATION			
As at 1 July 2013	833	513	1,346
Charge for the year	270	308	578
As at 30 June 2014	1,103	821	1,924
Charge for the year	270	453	723
AS AT 30 JUNE 2015	1,373	1,274	2,647
NET BOOK VALUE			
AS AT 30 JUNE 2015	2,798	9,652	12,450
As at 30 June 2014	3,068	6,632	9,700

Patent and other development costs are internally generated.

5. INVESTMENTS

	£'000
Subsidiary undertakings	
As at 1 July 2013	8,294
As at 30 June 2014	8,294
As at 30 June 2015	8,294

The Company's subsidiary and associated undertakings are:

SUBSIDIARY UNDERTAKING	COUNTRY OF REGISTRATION	NATURE OF BUSINESS	PERCENTAGE OF ORDINARY SHARES HELD
Plexus Ocean Systems Limited	Scotland	Supply of wellheads and associated equipment for oil and gas drilling	100%
Plexus Limited	Scotland	Dormant	100%
Plexus Holdings USA, Inc.	USA	Investment Holding	100%
Plexus Ocean Systems US, LLC	USA	Investment Holding	100%
Plexus Deepwater Technologies Limited	USA	Dormant	100%
Plexus Response Services Limited	Turks and Caicos Islands	Commercial exploitation of subsea applications	100%
Plexus Subsea International Limited	Turks and Caicos Islands	Commercial exploitation of subsea applications	100%
Plexus Ocean Systems (Malaysia) Sdn Bhd	Malaysia	Supply of wellheads and associated equipment for oil and gas drilling	100%
Plexus Ocean Systems (Brunei) Sdn Bhd	Brunei	Supply of wellheads and associated equipment for oil and gas drilling	100%
Plexus Ocean Systems (Singapore) Pte. Ltd.	Singapore	Supply of wellheads and associated equipment for oil and gas drilling	100%
Afrotel Corporation Ltd	Turks and Caicos Islands	Investment Holding	100%

6. TRADE AND OTHER RECEIVABLES

	2015 £'000	2014 £'000
Receivables due from group companies	4,472	4,187
Prepayments and other amounts	103	35
	4,575	4,222

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

Receivables due from group companies relates to an amount due from a subsidiary which is not impaired and carries no credit risk. Prepayments relate to prepaid amounts for services to be consumed over the next 12 months. There is no indication of impairment of any of these amounts.

7. TRADE AND OTHER PAYABLES

	2015 £'000	2014 £'000
Trade payables	43	20
Non trade payables and accrued expenses	147	626
	190	646
The maturity of ageing of trade and non trade payables at the year end was:		
Due within 30 days	43	20
Due in 30 – 90 days	147	42
Due in 90 days – 6 months	–	584
Due in 6 months – One year	–	–
	190	646

Trade and other payables are classified as other financial liabilities and are held at amortised cost. The carrying value approximates fair value.

8. SHARE CAPITAL

	2015 £'000	2014 £'000
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AUTHORISED:

Equity: 110,000,000 (2014: 110,000,000) Ordinary shares of 1p each	1,100	1,100
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ALLOTTED, CALLED UP AND FULLY PAID:

Equity: 84,911,719 (2014: 84,892,673) Ordinary shares of 1p each	849	849
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SHARE ISSUE DURING THE YEAR:	NUMBER OF SHARES	SHARE CAPITAL £'000	SHARE PREMIUM £'000	TOTAL £'000
At 30 June 2014	84,892,673	849	20,138	20,987
On 12 February 2015	9,523	–	4	4
AT 30 JUNE 2015	84,911,719	849	20,142	20,991

During the period the Group issued new shares as a result of the following transactions:

	NUMBER OF SHARES	PRICE PER SHARE	AGGREGATE NOMINAL VALUE £	TOTAL AGGREGATE VALUE £
12 FEBRUARY 2015				
– Share options	9,523	38.5p	95	3,666

The excess net proceeds have been credited to the share premium account.

9. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET CASH

	2015 £'000	2014 £'000
Movement in net cash in year	(777)	774
Net cash at start of year	786	12
Net cash at end of year	9	786

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Risk management is carried out by Management in line with the Company's Treasury policies. The Company's Treasury policies cover specific areas, such as foreign exchange risk, interest

rate risk and investment of excess cash. The Company's policy does not permit entering into speculative trading of financial instruments and this policy has been applied throughout the year.

(a) Market risks

(i) Foreign currency exchange risk

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

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

The Company's main foreign exchange risk relates to movements in the sterling/US. Movements in this rate impacts the translation of US dollar denominated net liabilities. A reasonably possible 10% fluctuation up/down in the exchange rate between sterling and the US dollar would result in a corresponding gain/loss in the statement of comprehensive income of approximately £nil (2014: £58k).

(ii) Interest rate risk

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

(iii) Price risk

The Company is not exposed to any significant price risk in relation to its financial instruments.

(b) Credit risk

The Company's credit risk primarily relates to its inter-company loans and inter-company receivables. Management believe that no risk provision is required for impairment.

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

(c) Liquidity risk

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

The bank facility provided to the Group includes a fixed and floating charge over the assets of the Company.

11. OPERATING LEASE COMMITMENTS/FINANCIAL COMMITMENTS

The Company had no capital commitments as at 30 June 2015 (2014: £nil).

12. CONTINGENT LIABILITIES

The Company had no contingent liabilities as at 30 June 2015 (2014: £nil).

13. RELATED PARTY TRANSACTIONS

Control

At 30 June 2015, Plexus Holdings plc was controlled by Mutual Holdings Limited, a company incorporated in the Turks and Caicos Islands. Subsequent to the issue of shares as detailed in Note 26 to the group accounts, Mutual Holdings Limited no longer owns a controlling interest in the Company.

Ultimate parent company

At 30 June 2015, the ultimate parent company was Mutual Holdings Limited, a company incorporated in the Turks and Caicos Islands. Subsequent to the issue of shares as detailed in Note 26 to the group accounts, Mutual Holdings Limited no longer owns a controlling interest in the Company and there is no ultimate parent company.

The Company is not consolidated into Mutual Holdings Limited. No other group financial statements include the results of the Company. The financial statements of Mutual Holdings Limited are not available to the public.

Transactions

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

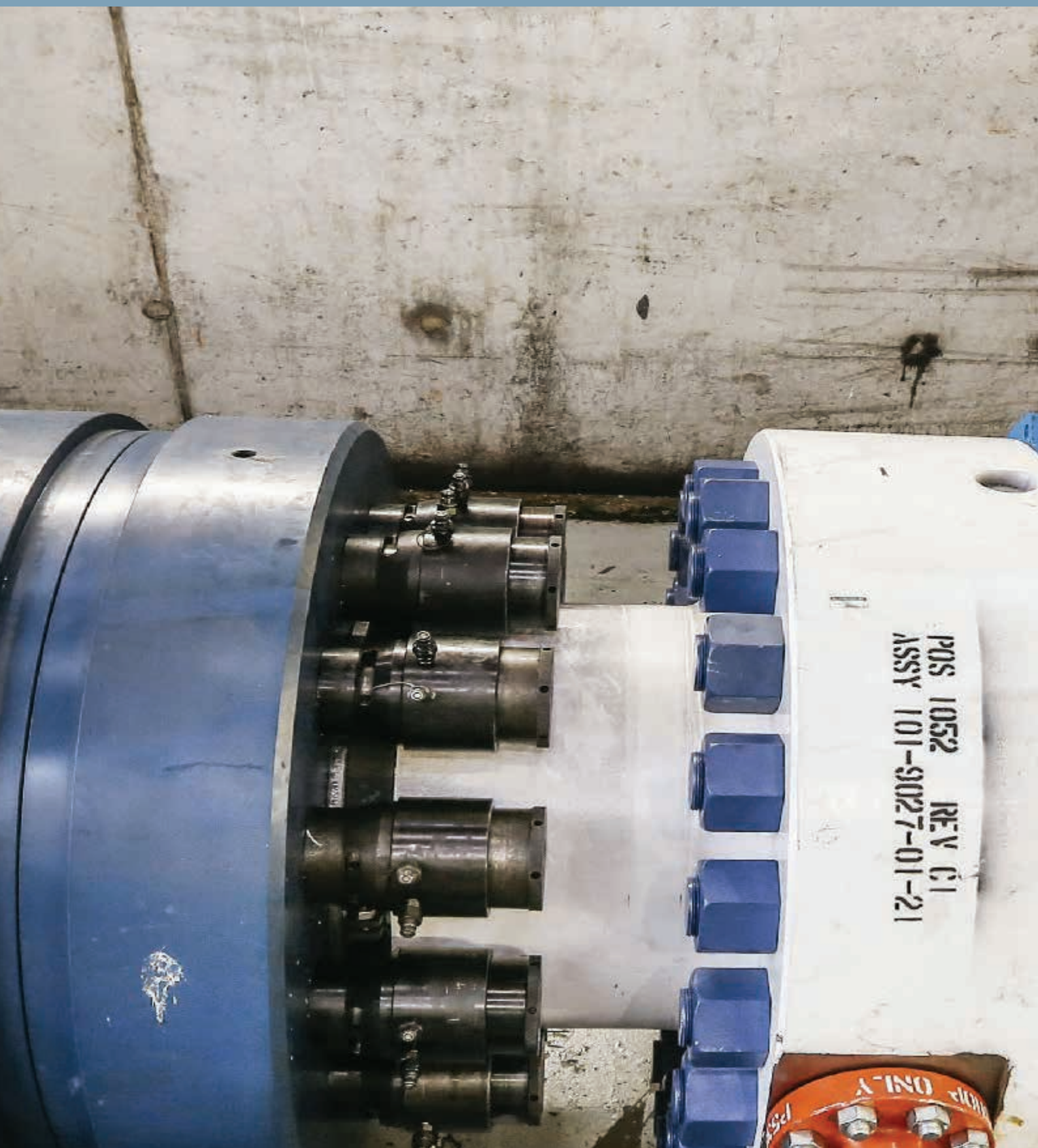
	2015 £'000	2014 £'000
Receivables from Subsidiary Undertakings	4,472	4,187

Receivables from Subsidiary Undertakings represent the balances receivable on loans provided to subsidiaries.

COMPANY INFORMATION

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Directors	<p>Jerome Jeffrey Thrall† (Non-Executive Chairman) Bernard Herman van Bilderbeek (Chief Executive) Graham Paul Stevens (Finance Director) Craig Francis Bryce Hendrie (Technical Director) Geoffrey Edmund Thompson (Non-Executive Director) Christopher James Watts Fraser† (Non-Executive Director) Charles Edward Jones (Non-Executive Director)</p> <p>† Member of Audit and Remuneration committees</p>
Registered Office	<p>42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ</p>
Company Number	03322928
Company Secretary	<p>Douglas Armour FCIS Equiniti David Venus Limited 42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ</p>
Nominated Adviser and Broker	<p>Cenkos Securities plc 66 Hanover Street Edinburgh EH2 1EL</p> <p>6.7.8 Tokenhouse Yard London EC2R 7AS</p>
Public Relations	<p>St Brides Partners 3 St Michael's Alley London EC3V 9DS</p>
Auditor	<p>Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH</p>
Solicitors to the Company	<p>Fox Williams LLP Ten Dominion Street London EC4M 2EE</p> <p>Ledingham Chalmers LLP 52-54 Rose Street Aberdeen AB10 1HA</p>
Registrars	<p>SLC Registrars 42-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ</p>



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