

DIRECTORS' REPORT

The Directors present their Annual Report on the affairs of the Group, together with the Financial Statements and Auditor's Report, for the year ended 31 March 2017

Results and proposed dividends

Total Group revenue from continuing operations was £186.5m (2016: £161.4m) and the profit for the year before taxation was £17.3m (2016: £13.1m). Underlying profit before tax for the Group was £20.5m (2016: £16.0m); see note 2 for breakdown.

The Directors recommend a final dividend of 2.50 pence (2016: 2.00p) per ordinary share to be paid on 13 October 2017 to shareholders registered at the close of business on 15 September 2017. This together with the interim dividend of 1.00 pence (paid on 13 April 2017) (2016: 0.80p) brings the total of the year to 3.50 pence (2016: 2.80p). The 2017 recommended final dividend has not been included within creditors as it was not approved before the year end. The 2017 interim dividend is also unrecognised as it was paid post year end.

The Strategic report provides a detailed analysis of the results in the year and an indication of future developments.

Annual General Meeting

The Annual General Meeting will be held on 27 July 2017 at *Trifast* House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW.

Directors and Directors' interests

The Directors who held office during the year were as follows:

Chairman

MM Diamond MBE Non-Executive Director
(appointed 1 April 2017; previously Executive Chairman)
Chairman of Nominations Committee

Executive Directors

MR Belton Chief Executive Officer
CL Foster Chief Financial Officer
GP Budd Commercial Director &
European Managing Director
GC Roberts Group Sales Director

Independent Directors (Non-Executive)

NW Warner Senior Independent
Chairman of Audit Committee
JPD Shearman Chairman of Remuneration Committee
SW Mac Meekin

The Directors' remuneration and their interests in share capital are shown in the Remuneration report on pages 70 to 86. Those Directors who are retiring and, being eligible, offer themselves up for re-election, are shown in the Corporate governance statement on pages 64 to 65. Biographical details can be found in Board of Directors on pages 54 to 56.

Substantial shareholdings

Details of the share structure of the Company are disclosed in note 24.

As at the year end on 31 March 2017, the Company was aware of the following material interests, representing 3% or more of the issued share capital of the Company.

	No. of shares held	% of shareholding
Axa Framlington Investment Managers	11,356,034	9.44
Schroder Investment Management	11,200,000	9.31
BlackRock Investment Management (UK)	8,479,718	7.05
Mr Michael Timms	8,000,000	6.65
Hargreave Hale	7,752,814	6.44
Liontrust Asset Management	7,268,917	6.04
Hargreaves Lansdown Asset Management	4,297,598	3.57
JP Morgan Asset Management	4,130,000	3.43
Threadneedle Investments	3,666,653	3.05

As at 1 June 2017, material interests representing 3% or more of the issued share capital of the Company were:

	No. of shares held	% of shareholding
AXA Framlington Investment Managers	11,356,034	9.44
Schroder Investment Management	11,200,000	9.31
Black Rock Investment Management (UK)	9,136,736	7.60
Liontrust Asset Management	7,519,783	6.25
Hargreave Hale	7,519,314	6.25
Mr Michael Timms	7,456,304	6.20
JP Morgan Asset Management	4,130,000	3.43
Hargreaves Lansdown Asset Management	4,065,554	3.38
Threadneedle Investments	3,622,790	3.01

Financial instruments

Information in respect of the Group's policies on financial risk management objectives including policies to manage credit risk, liquidity risk and foreign currency risk are given in note 26 to the financial statements.

Corporate governance

The Corporate governance statement on pages 64 to 65 should be read as forming part of the Directors' Report.

Takeover directive

Where not provided elsewhere in the Directors' report, the following provides the additional information required to be disclosed as a result of the implementation of the Takeover Directive.

There are no restrictions on the transfer of ordinary shares in the capital of the Company other than certain restrictions which may from time to time be imposed by law (for example, insider trading law). In accordance with the Listing Rules of the Financial Conduct Authority, certain employees are required to seek the approval of the Company to deal in its shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of shares or on voting rights.

No person has any special rights of control over the Company's share capital and all its shares are fully paid.

The rules governing the appointment and replacement of Directors are set out in the corporate governance section of the Directors' report on pages 64 to 65. The Company's Articles of Association may only be amended by a special resolution at a General Meeting of shareholders.

The Company is party to a number of banking agreements that, upon a change of control of the Company, could be terminable by the bank concerned.

Outside of the extension of certain Directors' rolling contract periods and notice periods (see page 80), there are no agreements between the Company and its Directors or employees which provide for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

The Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' report.

Employees

The Group has a policy of offering equal opportunities to employees at all levels in respect of the conditions of work. Throughout the Group it is the Board's intention to provide possible employment opportunities and training for disabled people and to care for employees who become disabled having regard to aptitude and abilities. Our Corporate Social Responsibility Statement can be found on our website www.Trifast.com and further details are provided in the Strategic Report.

Regular consultation and meetings, formal or otherwise, are held with all levels of employees to discuss problems and opportunities. Information on matters of concern to employees is presented in the in-house letters and publications.

Disclosure of information to auditor

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

Auditor

The Board has decided to propose KPMG LLP to be reappointed as auditor of the Company and a resolution concerning their appointment will be put to the forthcoming Annual General Meeting of the Company.

By order of the Board

Lyndsey Case

Company Secretary
Trifast House
Bellbrook Park
Uckfield
East Sussex
TN22 1QW

Company registration number: 01919797