Registration number: 07874262

Tristel International Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2018

Tristel International Limited

Contents of the Financial Statements
for the Year Ended 30 June 2018

Tristel International Limited

Company Information
for the Year Ended 30 June 2018

Directors	PC Swinney EA Dixon J Shabanova
Company secretary	EA Dixon
Registered office	Unit 1B Lynx Business Park Fordham Road Snailwell Newmarket Cambridgeshire CB8 7NY
Solicitors	Greene & Greene 80 Guildhall Street Bury St Edmunds Suffolk IP33 1QB
Auditors	Grant Thornton UK LLP Chartered Accountants 101 Cambridge Science Park Milton Road Cambridge Cambridgeshire CB4 0FY

Tristel International Limited

Strategic Report
for the Year Ended 30 June 2018

Review of the business

The results for the year and financial position of the Company are as shown in the financial statements.

Sales in the year have increased as some new custom has been achieved, but the operation is not growing as anticipated.

Future developments and Research and Development

We believe that the Company is very well placed to take advantage of the current trends in the global disinfection market. However, we are realistic in our assessment of Tristel's market reach and recognise that our ambitions must be tempered by our size and that we must be cautious in the way in which we deploy our assets to meet the potential opportunities.

Key performance indicators

Management consider the primary financial key performance indications (KPIs) for the Company to be revenue and gross margin %. These are both measured and monitored closely. Current period revenue is £62,000 (2017: £61,000); gross margin for the year is 61% (2017: 62%).

In addition to financial KPIs, the Directors measure and monitor closely non-financial KPIs.

In order for the Company to sell products into the Russian market they must meet BSI standards which are met and certified by the parent Tristel Plc. The maintenance of the parent's quality system and certification required for the design, manufacture and sale of medical devices is also a key measure for management.

Going concern

Tristel's business activities, together with the factors likely to affect its future development, performance and position are set out in this strategic report. The future development of the business is viewed to be via the diversification of its proprietary technology into new markets and territories. Current economic conditions create a degree of uncertainty over the level of demand for the Group's products and services. However, the Directors consider there to be no material uncertainties within the business.

The Directors compile budget and cash flow forecasts, which are stress tested for potential future influences and events. Funding is sought as necessary, in the most appropriate and cost effective form, to a level which provides sufficient headroom to the Group's cash requirements.

The Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have continued to adopt the going concern basis in preparing the annual report and financial statements.

Principal risks and uncertainties

The key business risks affecting the Company are set out below:

Operations

The Company's ability to continue to supply in a timely manner the Company's existing product portfolio is a prerequisite to maintaining the currently achieved gross margins and level of profitability. This area of risk is kept under constant review, including identifying multiple routes of supply for key materials and services related to the production of the Company's product offering.

Regulatory and legal approval

The ability to continue to market the Company's products is inextricably linked to the Company's ability to achieve and maintain, in a timely manner, regulatory and legal approval in the regions or markets where the Company has a presence.

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

External risks

The Company's performance is also subject to external macroeconomic conditions and changes in factors such as public spending and policy.

Approved by the Board on 22 January 2019 and signed on its behalf by:

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EA Dixon

Director

Directors' Report
for the Year Ended 30 June 2018

The directors present their report and the financial statements for the year ended 30 June 2018. The base currency used in these reports is sterling (GBP).

Directors' of the company
The directors, who held office during the year, were as follows:

PC Swinney

EA Dixon

J Shabanova

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Tristel International Limited

Directors' Report
for the Year Ended 30 June 2018 (continued)

Disclosure of information to the auditors
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

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

Small companies provision statement
This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 22 January 2019 and signed on its behalf by:

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EA Dixon
Director

Tristel International Limited

Independent Auditor's Report to the Members of Tristel International Limited

Opinion

We have audited the financial statements of Tristel International Limited (the 'Company') for the year ended 30 June 2018, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

Matters 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our audit report.

Alison Seekings

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Alison Seekings (Senior Statutory Auditor)
For and on behalf of Grant Thornton UK LLP, Statutory Auditor

Cambridge

22 January 2019

Tristel International Limited

Income Statement
for the Year Ended 30 June 2018

	Note	2018 £ 000	2017 £ 000
Revenue		62	61
Cost of sales		(24)	(23)
Gross profit		38	38
Administrative expenses		(59)	(39)
Operating loss	5	(21)	(1)
Loss before tax		(21)	(1)
Loss for the year		(21)	(1)

ALL AMOUNTS RELATE TO CONTINUING OPERATIONS

Tristel International Limited

Statement of Comprehensive Income
for the Year Ended 30 June 2018

	2018 £ 000	2017 £ 000
Loss for the year	(21)	(1)
Total comprehensive income for the year	(21)	(1)

The notes on pages 13 to 20 form an integral part of these financial statements.

Tristel International Limited

Statement of Changes in Equity
for the Year Ended 30 June 2018

	Retained earnings £ 000	Total £ 000
At 1 July 2017	24	24
Loss for the year	(21)	(21)
Total comprehensive income	(21)	(21)
At 30 June 2018	3	3

	Retained earnings £ 000	Total £ 000
At 1 July 2016	25	25
Loss for the year	(1)	(1)
Total comprehensive income	(1)	(1)
At 30 June 2017	24	24

The notes on pages 13 to 20 form an integral part of these financial statements.

Tristel International Limited

(Registration number: 07874262)
Balance Sheet as at 30 June 2018

	Note	2018 £ 000	2017 £ 000
Assets			
Current assets			
Inventories	9	24	28
Trade and other receivables	10	2	6
Cash and cash equivalents	11	12	21
		38	55
Equity and liabilities			
Equity			
Profit and loss account		3	24
Current liabilities			
Trade and other payables	12	35	31
Total equity and liabilities		38	55

Approved by the Board on 22 January 2019 and signed on its behalf by:

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EA Dixon
Director

1 General information

The principal activity of the company is the sale and distribution of infection prevention and contamination control products.

The company is limited by shares, incorporated in England and Wales (registered number 07874262) and domiciled in the United Kingdom.

2 Accounting policies

Basis of preparation

The financial statements of Tristel International Limited have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared on a historical cost basis and in Sterling (GBP).

Summary of disclosure exemptions

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

• A statement of cash flows and related notes.
• The requirement to produce a balance sheet at the beginning of the earliest comparative period.
• The requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the group as they are wholly owned within the group.
• Presentation of comparative reconciliations for property, plant and equipment and intangible assets.
• Disclosure of key management personnel compensation.
• Capital management disclosures.
• Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period.
• The effect of future accounting standards not adopted.
• Certain share based payment disclosures.
• Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value) and;
• Fair value measurement disclosures (other than disclosures required as a result of recording financial instruments at fair value)

2 Accounting policies (continued)

Going concern

The Company reported a loss in the year and capital and reserves attributable to the Company's equity holders of £3,000 (2017: £24,000). The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, the Directors have continued to adopt the going concern basis in preparing the annual report and financial statements.

Changes in accounting policy

EU adopted IFRSs not yet applied

As of 30 June 2018, the following Standards are in issue but not yet effective and have not been adopted early by the Company:

- IFRS 16 Leases (effective 1 January 2019)
- IFRS 17 Insurance contracts (effective 1 January 2021)

The Directors anticipate that the adoption of IFRS 17 Insurance contracts in future periods will have no material effect on the financial statements of the Company. Under IFRS 16, the majority of lease obligations of the group, currently accounted for as operating leases, will be recognised as assets on the statement of financial position with a corresponding liability.

Standards effective from 1 January 2018

The following standards apply for the first time to financial reporting periods commencing on or after 1 January 2018:

- IFRS 9 Financial instruments (effective 1 January 2018)
- IFRS 15 Revenue from contracts with customers (effective 1 January 2018)

IFRS 15 - 'Revenue from contracts with customers' will be adopted for the financial year commencing 1 July 2018. Currently revenue is recognised on product sales when the Company has transferred to the buyer the significant risks and rewards of ownership, which is generally when the customer has taken undisputed delivery of the goods. Under IFRS 15 the company must evaluate contracts with customers to determine the distinct performance obligations and consider the appropriate timing of revenue recognition based on when control of the product sales has passed to the buyer. Whilst the new financial reporting standard represents significant new guidance, the implementation of this guidance is not expected to have a significant impact on the timing or amount of revenue recognised by the Company in any year.

There have been no new financial reporting standards, interpretations and amendments effective for the first time from 1 July 2017 which have had a material effect on the financial statements.

Revenue recognition

Revenue is the amount receivable by the Company in the ordinary course of business with outside customers for the Company's products and for ancillary goods provided, excluding value added tax and trade discounts. Sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, which is generally when the customer has taken undisputed delivery of the goods. The Company acts as principal for all revenues and its terms throughout the different sectors are identical.

2 Accounting policies (continued)

Foreign currency transactions and balances

The financial statements are presented in GBP, which is the functional currency of the Company. Due to the nature of the set-up of the Russian branch as a sales and marketing centre for Tristel International Limited, the functional currency of this branch is considered to be sterling.

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

Tax

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

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

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

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

2 Accounting policies (continued)

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

Trade and other receivables
Trade and other receivables are initially recognised at fair value, plus transaction costs. Subsequently they are measured at amortised cost using the effective interest rate method.

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

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

Leases
All leases are regarded as operating leases and the payments made under them are charged to profit on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

Research and development
Research and development expenditure incurred by the Company is wholly attributable to validation testing in the local Russian market. There is no development of new products undertaken by Tristel International Limited or its branch, and all associated costs are charged immediately to the profit as they occur.

Equity
Equity comprises the following:
• 'Called up share capital' represents the nominal value of equity shares.
• 'Retained earnings' represents all current and prior period profits, losses and share-based payments.

2 Accounting policies (continued)

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

3 Critical accounting judgements and key sources of estimation uncertainty

The financial statements have been prepared in accordance with FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

Inventories
Where inventory items are considered to be slow moving or obsolete a provision is made against the carrying amount included within the Inventory balance. During the year no provision has been made in relation to inventory held.

4 Segmental Analysis

Management considers the Company's revenue to be derived from one operating segment. This segment concerns the sale of infection control and hygiene products that includes the Company's chlorine dioxide chemistry, and are used primarily for infection control in hospitals. All of the Company's revenue is derived from the Russian Federation.

The Company's centrally incurred administrative expenses, operating income, assets and liabilities, are all allocated to this single individual operating segment.

5 Operating profit

Arrived at after charging/(crediting)

	2018 £ 000	2017 £ 000
Foreign exchange losses/(gains)	7	(4)
Operating lease expense - property	6	7
Cost of inventories recognised as expense	23	23

6 Employees and Directors

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

6 Employees and Directors (continued)

	2018 £ 000	2017 £ 000
Wages and salaries	10	10
Social security costs	2	2
Pension costs	1	1
	13	13

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

	2018 No.	2017 No.
Sales and marketing	1	1

7 Auditors' remuneration

	2018 £ 000	2017 £ 000
Audit of the financial statements	5	5

8 Income tax

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.75%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Loss before tax	(21)	(1)
Corporation tax at standard rate	(4)	-
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	1	-
Increase arising from group relief tax reconciliation	3	-
Total tax charge/(credit)	-	-

9 Inventories

	2018 £ 000	2017 £ 000
Finished goods and goods for resale	24	28

The cost of inventories recognised as an expense in the year amounted to £24,000 (2017 - £23,000). This is included within cost of sales.

10 Trade and other receivables

	2018 £ 000	2017 £ 000
Trade Receivables	-	6
Other Receivables	2	-
	2	6

All of the Company's trade and other receivables have been reviewed for indicators of impairment and none are considered to be impaired.

Management considers that the carrying amount of trade and other receivables approximates to their fair value.

11 Cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank	12	21

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

The credit risk on the Company's principal financial assets, cash and bank balances and trade and other receivables has been assessed. Credit risk on liquid funds and financial instruments is limited because the holders are banks with high credit ratings assigned by international credit rating agencies.

12 Trade and other Payables

	2018 £ 000	2017 £ 000
Trade Payables	6	2
Amounts due to Group undertakings	29	28
Social security and other taxes	-	1
	35	31

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Share capital

Allotted, called up and fully paid shares

	2018 No.	2018 £	2017 No.	2017 £
Authorised, alloted, issued and fully paid of £1 each	1	1	1	1

14 Leasing agreements

Operating leases

The total future value of minimum lease payments is as follows:

	2018 £ 000	2017 £ 000
Within one year	2	2

Leases comprise of non-cancellable operating leases in relation to property.

15 Parent and ultimate parent undertaking

The ultimate controlling party is Tristel Plc, which is registered in England and Wales. The largest and smallest group of undertakings for which Group accounts are drawn up is that included in the accounts of Tristel Plc. These financial statements are available upon request from www.tristel.com