

Don & Low Limited

Annual report and consolidated
financial statements

For the year ended 31 December 2025

Registered number SC005657

Contents

	Page
Strategic report	1
Directors' report	5
Statement of directors' responsibilities in respect of the Annual Report and Consolidated Financial Statements	9
Independent auditors' report to the members of Don & Low Limited	10
Consolidated Statement of Comprehensive Income	13
Consolidated Balance Sheet	14
Company Balance Sheet	15
Consolidated Statement of Changes in Equity	16
Company Statement of Changes in Equity	17
Consolidated and Company Statements of Cash Flows	18
Notes	19

Directors and advisers

Directors	Dimitrios Malamos	(Chairman)
	William David Saneman Campbell	(Appointed 19 January 2026)
	Konstantinos Chalioris	
	Colin James Johnson	
	Christos Karageorgiou	(Appointed 12 February 2025)
	Athanasios Dimiou	(Appointed 11 April 2025)

Secretary Colin James Johnson

Registered Office Newfordpark House
 Glamis Road
 Forfar
 Angus
 DD8 1FR

Independent Auditors Henderson Loggie LLP
 The Stamp Office
 Level 5
 10 – 14 Waterloo Place
 Edinburgh
 EH1 3EG

Bankers The Royal Bank of Scotland plc
 65 East High Street
 Forfar
 DD8 2EP

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Corporate Banking
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Aberdeen
AB10 1BR

Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN

Solicitors Thorntons WS
 40 Castle Street
 Dundee
 DD1 3AQ

Actuaries Mercer
 7 Lochside Avenue
 Edinburgh
 EH12 9DJ

Strategic report

Principal activities

The principal activities of the Group and the Company are the manufacture and marketing of woven and nonwoven polypropylene textiles. The main woven products include geotextiles, industrial fabrics, carpet backing, and carpet yarns. The nonwoven products are mainly in the areas of construction, medical, furniture and bedding, and filtration.

Business model

The Group has a clearly defined strategic plan that is designed to take the Group into the future on a sustainable and profitable path. The Group has undertaken a major capital investment programme in recent years that has expanded and upgraded production facilities across the business and there was further, but more modest, investment during 2025. The Group has generally invested in relatively capital-intensive processes to improve long term competitiveness. Sales and production mix continues to be modified in response to market developments. In line with the long term aims of the Group the commitment to adding value to business relationships remains strong, and this is based on product quality, service and price competitiveness.

Business review and results

Economic conditions continued to be challenging, however 2025 saw an improvement in sales volumes and revenues as a result of significant efforts including implementation of a direct to market sales strategy in specific markets, and a focus on improving product mix. External supply and demand effects remained significant, general cost of living pressures suppressed demand in several sectors, and surplus worldwide capacity affected volumes and market price levels. Compared to recent years there was less volatility in the major cost categories, for example raw materials, electricity and transport, but the fact remained that these continue to be at historically elevated levels. The Group's reaction to these costs was to carry out internal cost reduction and efficiency activities.

In summary, 2025 financial performance, although in line with planned performance for the year, and improved compared to the previous year, did not recover to the full extent the Group plans to achieve in the short to medium term. The long-term investment plan remains the correct approach and the strategic plan is focused on the correct actions. All the factors affecting performance, whether internal or external, continue to be monitored closely by management.

Going concern

Details of the adoption of the going concern basis in preparing the financial statements are set out in note 1 to the financial statements, and are incorporated into this report by reference.

Strategic report *(continued)*

Key performance indicators

The Directors and managers use a range of detailed performance indicators appropriate to the business.

The table below shows the key performance indicators for the Group.

Key performance indicator	2025	2024	% change
Revenue (£000's)	61,057	55,834	9.4%
Operating loss (£000's)	(3,851)	(8,518)	54.8%
Operating loss %	(6.3%)	(15.2%)	8.9%

Principal risks and uncertainties

The principal risks and uncertainties affecting the Group include the following:

- **Raw material costs:** Raw materials are the main item of expenditure for the Group. Significant resources are applied to the management of this.
- **Customers:** The Group maintains strong relationships with key customers and has clear credit control parameters. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Specific credit terms are agreed with customers and are closely managed. Credit evaluations are also performed on all customers. Credit risk is managed by the insurance of debts and a system of internal credit limit setting is followed using trade and bank references and credit rating agencies.
- **Competitive risk:** The Group operates in highly competitive markets. Product and service improvements are carried out on an ongoing basis throughout the year.
- **Foreign currency exchange:** The Group is exposed to foreign currency risk as a result of its operations. The currencies giving rise to this are primarily Euros and US Dollars. The Group monitors closely short, medium and long-term exchange rates. However, given the size of the Group's operations, the costs of managing exposure to foreign exchange risk exceed any potential benefits. No formal hedging policy is used.
- **The effect of legislation or other regulatory activities:** The Group, with the assistance of its professional advisers, monitors forthcoming and current legislation regularly.
- **Liquidity risk:** The Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansion.
- **Interest rate cash flow risk:** The Group has both interest-bearing assets and interest-bearing liabilities. Interest-bearing assets include cash balances with banking institutions.

Strategic report *(continued)*

Future developments

The Directors expect to be faced with continued challenges during 2025 mainly due to the effects of the external environment on supply and demand conditions, worldwide political and economic uncertainty, and inflationary cost pressures. Efforts will continue to ensure the Group fully exploits the capital investment made in previous years and aims to widen production capabilities and improve cost structure and competitiveness. The plans, policies and procedures that are in place mean that the Directors are confident that the Group's budgeted performance will be achieved.

Section 172(1) UK Companies Act 2016 ("Act") Statement

Directors

As part of their induction a director of the Group is informed of their directors' duties with specific reference to section 172(1) (a-f) and if necessary, can seek additional support and advice from an independent adviser to ensure that they are aware and know the likely consequences of any decision the Company makes in the long term.

Stakeholders

The directors of the Group believe it is fundamentally important that the values and principles which guide the Group are clearly defined, both internally and externally, in order to ensure that all Group activities are implemented in compliance with the relevant laws and in a context of fair competition, honesty, integrity, fairness and good faith which would promote the success of the Group for the benefit of its members as a whole having regard to the interests of all its stakeholders: shareholders, workforce, suppliers, customers, lenders, government/tax authorities, pension schemes/trustees, community and environment. These values are embedded in the Group's employee handbook and by virtue of various policy statements covering matters such as health and safety, the environment, modern slavery and gender pay. All these documents are made available to all employees by various means including the Group online portal.

Employee Interests

The directors of the Group devote the relevant resources to facilitate the necessary professional development of its staff and the continued growth of the organisation. This includes close attention to issues such as succession planning.

The Group is an equal opportunities employer and maintains procedures that guarantee all employees with equal access to employment opportunities.

The Group policy is to facilitate the employment of disabled people, their recruitment, training, career development and promotion, and the retention of employees who become disabled.

The Group policies relating to employee involvement continue to be updated in the light of best practice. Employees and their representatives are briefed, consulted and provided with information in a variety of ways designed to ensure that they are kept fully informed about developments in the Group including health and safety and financial performance.

Community and the Environment

The Group recognises the environmental impact of its use of raw materials including use of energy, water and generation of waste; as well as the use and disposal of products. The Group is committed to reducing the impact on the environment and improving internally, through proactive environmental policies, energy reduction measures and various recycling programmes. The Group has invested in a specific recycling technology which allows it to recycle substantially all of the scrap and waste material, re-granulating it so it can be re-used, making the manufacturing process both environmentally and financially efficient.

Strategic report *(continued)*

Business Conduct

The Group recognises the importance of combating slavery, forced labour and human trafficking (“Modern Slavery”), a set of growing interest issues that affect communities and individuals across the globe. The Company has a zero-tolerance approach to all forms of modern slavery within its operations and supply chain and recognises that no sector can be excluded.

The Group is committed to acting with integrity and transparency in this sensitive matter and is conscious of its responsibility to be alert to any risks within its business and to the wider supply chain.

The Group and Thrace Group do not accept under any circumstances modern slavery and is committed to act in an ethical way and with integrity in all business dealings, which is reflected in its global policies that aim to eliminate, as much as possible, the risk of modern slavery in any part of its business operation or its supply chain.

Everyone working for or on behalf of the Group, including directors, employees and suppliers must adhere to the Group’s ethical conduct policies. One of the cornerstones of such policies is the protection of employees from being abused and exploited, either within the Company itself or within its global supply chain.

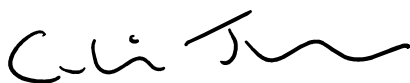
The Group’s employees have the right and obligation to report potential violations, which include circumstances that may give rise to an enhanced risk of modern slavery incidents or practices, by contacting the representatives in the Human Resources department. These reports can be made either – in name or anonymously – in person or by phone or email.

The Group recognises that the greatest risk of modern slavery incident detection is in its supply chain, where initiatives to identify and mitigate the relevant risks are actively implemented. Within this framework, the Group is committed to comply with the human rights policy and take the necessary steps in order to ensure its implementation.

Shareholders

The Board of Directors consider and only approve items of business that would promote the success of the Group and in the best interests of the Group, the Group’s immediate shareholders, the ultimate parent Thrace Plastics Co SA and its stakeholders.

On behalf of the Board



CJ Johnson
Director

Newfordpark House
Glamis Road
Forfar
DD8 1FR

6 August 2026

Directors' report

The Directors present their Directors' report and the audited consolidated financial statements for the year ended 31 December 2025.

General information

Don & Low Limited (the "Company") is a private company limited by shares incorporated in Scotland and domiciled in Scotland with a place of business and registered office at Newfordpark House, Glamis Road, Forfar, DD8 1FR.

Results and dividends

The consolidated statement of comprehensive income on page 13 shows a loss for the financial year of £1,345,000 (2024: loss £6,854,000). The consolidated balance sheet on page 14 shows a decrease in net assets for the financial year to £57,549,000 from £58,952,000 in 2024.

No dividend was paid in 2025 (2024: £1,000,000). The Directors' do not propose a further dividend for the year (2024: nil).

Post balance sheet subsequent event

War in middle east

After the closure of the 2025 financial year, it should be noted that there is a war in the middle east, centred on Iran. This was considered as an event but does not trigger adjustments to the financial statements since the start date was 28 February 2026. The Group has assessed and will continue to assess the implications of the consequences of the war. Currently there is considered to be no significant impact on the Group's financial performance or position.

Risk management

The Group's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs, these risks and policies are noted in the Strategic Report. The Group does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

Financial management

The Group prepares a detailed annual budget and this becomes the key document against which performance during the year is monitored.

Research and development

Product improvement and development is an essential aspect of the business and considerable resource is dedicated to this end, all costs are written off during the year where they do not meet the criteria for capitalisation under IAS38.

Directors

The directors of the Company who were in office during the year and up to the date of signing of the financial statements were:

Dimitrios Malamos	(Chairman)
William David Sandeman Campbell	(Appointed 19 January 2026)
Athanasios Dimiou	(Appointed 11 April 2025)
Konstantinos Chaliouris	
Colin James Johnson	
Christos Karageorgiou	(Appointed 12 February 2025)
Vasilios Zairopoulos	(Resigned 22 January 2025)

Directors' report *(continued)*

In terms of the Articles of Association, Directors are not subject to retirement by rotation.

Directors' qualifying third party indemnity provisions

The Company maintains liability insurance for the Directors and officers. The policy does not provide cover in the event that a Director or officer is proved to have acted fraudulently or dishonestly. The Company has agreed to indemnities, in force for the year ended 31 December 2025 and at the date of signing these financial statements, which indemnify the Directors to the extent permitted by applicable law and the Company's articles of association in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries

Employees

The Group and Company are equal opportunities employers and maintain Group procedures that guarantee all employees with equal access to employment opportunities.

The Group and Company policy is to facilitate the employment of disabled people, their recruitment, training, career development and promotion, and the retention of employees who become disabled.

Employee engagement statement

The Group has internal communication channels that ensures that all employees are communicated to in a timely manner. Employees and their representatives are briefed, consulted and provided with information in a variety of ways including common area notice boards and intranet sites, designed to ensure that they are kept fully informed about developments in the Group including health and safety and financial performance.

Statement on engagement with supplier, customers and others in a business relationship with the Company

The Group maintains and develops relationships with business partners who share the same values and update our partner requirements in line with best practice to reinforce our culture of social responsibility.

Health and safety

The Group uses BUPA for advice on occupational health matters and the provision of trained nursing staff. In addition, employees with training in first aid are present in all locations at all times. Environmental working conditions at all locations are monitored by trained staff.

The Group has complied with the Health and Safety at Work Act 1974 in issuing a written statement of its general policy on the health and safety of its staff, and the organisation and arrangements for carrying out that policy.

Political contributions

It is the Group's policy that no political contributions are made.

Going concern

Details of the adoption of the going concern basis in preparing the financial statements are set out in note 1 to the financial statements, and are incorporated into this report by reference.

Directors' report *(continued)*

Streamlined Energy and Carbon Reporting (SECR)

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Don & Low to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 31st December 2025.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, gaseous fuels such as natural gas and LPG, and business travel in company-owned vehicles and grey fleet. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

		2025	2024	% change
Energy (kWh)				
	Natural gas	4,004,305	4,149,255	-3.5%
	LPG	813,119	670,782	21.2%
	Electricity	34,627,930	34,585,974	0.1%
	Transport	252,724	312,104	-19.0%
	Total energy	39,698,078	39,718,115	-0.1%
Emissions (tCO₂e)				
Scope 1	Natural gas	732.6	759.0	-3.5%
Scope 1	LPG	174.4	143.9	21.2%
Scope 1	Company vehicles	3.6	4.5	-20.1%
Scope 2(LB)	Electricity	6,129.1	7,161.9	-14.4%
Scope 2 (MB)*	Electricity	6,787.1	1,459.1	365.2%
Scope 3	Grey fleet	60.5	75.3	-19.6%
	Total SECR emissions	7,100.3	8,144.6	-12.8%
	Emissions intensity tCO₂e / product sold tonnes	0.34	0.44	-23.1%

**Included for comparison only*

Don & Low is committed to reducing its environmental impact and contribution to climate change through continuous improvement procedures. Our main priority to reduce our environmental impact remains energy efficiency. Energy and production data is actively monitored against pre-determined efficiency targets in exchange for a discount on Climate Change Levy as part of participation in the Climate Change Agreement scheme. During FY25, we completed the installation of energy meters on all machines as well as replacement of all lighting fixtures with energy efficient LED units to improve our energy savings. We have been reviewing the report from the compressed air leak survey that was conducted during the year to explore ways to reduce energy wastage and improve cost savings. Moving forward, we will be updating our meter list to ensure compatibility with all reporting systems in addition to checking the chilled water circuit temperatures so that the free cooling units can operate at the temperatures for the optimum performance.

Methodology

Activity data have been converted into equivalent energy and GHG emissions using emissions factors published by the UK Government in 2025. Electricity and natural gas disclosures have been calculated using metered kWh consumption taken from supplier fiscal invoices. GHG emissions associated with Scope 2 purchased electricity have been reported using both market-based (MB) and location-based (LB) methodologies. MB emissions have been carried into the total emissions figure – corresponding LB emissions have been included for comparison only.

LPG disclosures have been calculated based on fiscal invoices provided by suppliers. Transport disclosures are derived from a combination of fuel card transaction reports and business mileage expense claim records. Vehicle information, such as engine size and fuel type, was used to calculate the emissions for each mileage claim.

Directors' report *(continued)*

Future Developments

Future developments are noted separately in the Strategic report on page 3.

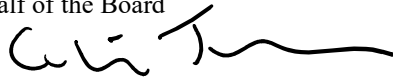
Disclosure of information to auditors

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 Group and parent Company's auditors are unaware; and each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group and parent Company's auditors are aware of that information.

Independent Auditors

Henderson Loggie LLP were appointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

On behalf of the Board



CJ Johnson
Director

Newfordpark House
Glamis Road
Forfar
DD8 1FR

6 August 2026

Statement of directors' responsibilities in respect of the Annual report and consolidated financial statements

The directors are responsible for preparing the Annual report and consolidated financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Accounting Standards in conformity with the requirements 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 group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether International Accounting Standards in conformity with the requirements of the Companies Act 2006 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent Auditor's Report to the Members of Don & low Limited

Opinion

We have audited the financial statements of Don & Low Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows, and the related notes 1 to 25, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the group and company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

Opinions on other matters 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 or directors' report.

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

- adequate accounting records have not been kept, 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 directors' responsibilities statement set out on page 9, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below.

As part of our planning process:

- We enquired of management the systems and controls the group and company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and company. We determined that the following were most relevant: Health and Safety; employment law (including payroll and pension regulations); GDPR; HMRC tax compliance; local council noise limits, import requirements; energy relief scheme requirements; and compliance with the UK Companies Act;
- We considered the incentives and opportunities that exist in the group and company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

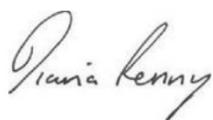
- Inquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing key policies and procedures in place at group level;
- Reviewing Companies House lodgements and tax compliance;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular the recognition of defined benefit surplus, the estimation of impairment of property, plant and equipment and their useful lives, investments in subsidiaries, inventory provisioning, trade receivables, accruals, and electricity credits; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the directors.

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

Use of our report

This report is made solely to the 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.



Diana Penny (Senior statutory auditor)
for and on behalf of Henderson Loggie LLP, Statutory Auditor
Chartered Accountants
The Stamp Office
Level 5
10 – 14 Waterloo Place
Edinburgh
EH1 3EG
10 August 2026

Consolidated Statement of Comprehensive Income for the year ended 31 December 2025

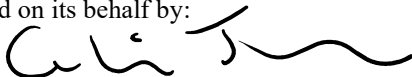
	Note(s)	2025 Total	2024 Total
		£000	£000
Revenue	2	61,057	55,834
Cost of sales		(55,255)	(52,691)
Gross profit		5,802	3,143
Other operating income	3	1,147	361
Distribution expenses		(6,410)	(6,026)
Administrative expenses		(3,112)	(3,303)
Research and development expenses	4	(961)	(1,390)
Exceptional expenses	4	(317)	(1,303)
Operating loss	4-6	(3,851)	(8,518)
Financial income	7	291	662
Financial expenses	7	(285)	(347)
Net financing income		6	315
Loss before tax		(3,845)	(8,203)
Taxation	8	2,500	1,349
Loss for the year		(1,345)	(6,854)
Other comprehensive (expense)/income			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement of defined benefit liability	20	(77)	(3,507)
Income tax on items that will not be reclassified to profit or loss	8	(25)	825
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Income tax on items that are or may be subsequently reclassified to profit or loss	8	44	41
Other comprehensive expense for the year, net of income tax		(58)	(2,641)
Total comprehensive expense for the year		(1,403)	(9,495)

Revenue and profit before income tax arose wholly from continuing operations.

Consolidated Balance Sheet at 31 December 2025

	<i>Note</i>	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment	9	26,714	31,067
Right of use assets	10	169	301
Intangible assets	11	170	91
Employee benefits	20	5,000	4,900
		32,053	36,359
Current assets			
Asset held for sale	14	764	1,408
Inventories	15	18,399	15,099
Trade and other receivables	16	14,246	9,123
Cash and cash equivalents	17	9,332	14,663
		42,741	40,293
Total assets		74,794	76,652
Current liabilities			
Trade and other payables	19	(14,237)	(10,584)
Loans and borrowings	18	(1,354)	(1,609)
		(15,591)	(12,193)
Non-current liabilities			
Loans and borrowings	18	(465)	(1,762)
Deferred income		(30)	(67)
Deferred tax liabilities	13	(1,159)	(3,678)
		(1,654)	(5,507)
Total liabilities		(17,245)	(17,700)
Net assets		57,549	58,952
Equity			
Share capital	21	5,737	5,737
Reserves		684	684
Retained earnings		51,128	52,531
		57,549	58,952
Total equity		57,549	58,952

These financial statements on pages 14 to 54 were approved by the board of directors on 6 August 2026 and were signed on its behalf by:



CJ Johnson
Director

Company Balance Sheet at 31 December 2025

	<i>Note</i>	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment	9	26,714	31,067
Right of use assets	10	169	301
Intangible assets	11	170	91
Investments in subsidiaries	12	575	575
Employee benefits	20	5,000	4,900
		32,628	36,934
Current assets			
Asset held for sale	14	764	1,408
Inventories	15	18,399	15,099
Trade and other receivables	16	14,246	9,123
Cash and cash equivalents	17	9,332	14,663
Total current assets		42,741	40,293
Total assets		75,369	77,227
Current liabilities			
Trade and other payables	19	(14,812)	(11,159)
Loans and borrowings	18	(1,354)	(1,609)
		(16,166)	(12,768)
Non-current liabilities			
Loans and borrowings	18	(465)	(1,762)
Deferred income		(30)	(67)
Deferred tax liabilities	13	(1,159)	(3,678)
		(1,654)	(5,507)
Total liabilities		(17,820)	(18,275)
Net assets		57,549	58,952
Equity			
Share capital	21	5,737	5,737
Reserves		684	684
Retained earnings		51,128	52,531
Total equity		57,549	58,952

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,345,000 (2024 loss: £6,854,000).

These financial statements on pages 14 to 54 were approved by the board of directors on 6 August 2026 and were signed on its behalf by:

CJ Johnson
Director



Consolidated Statement of Changes in Equity for year ended 31 December 2025

	Translation reserve	Share capital	Reserve for own shares	Retained earnings	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2025	-	5,737	684	52,531	58,952
Total comprehensive income					
Loss for the year	-	-	-	(1,345)	(1,345)
Other comprehensive income					
Remeasurement of defined benefit liability, net of tax	-	-	-	(58)	(58)
Total comprehensive loss for the year	-	-	-	(1,403)	(1,403)
Dividends paid	-	-	-	-	-
Total contributions by and distribution to owners	-	-	-	-	-
Balance at 31 December 2025	-	5,737	684	51,128	57,549

	Translation Reserve	Share capital	Reserve for own shares	Retained earnings	Total
	£000	£000	£000	£000	£000
Balance at 1 January 2024	(18)	5,737	684	63,026	69,447
Total comprehensive income					
Loss for the year	-	-	-	(6,854)	(6,854)
Other comprehensive income					
Remeasurement of defined benefit liability, net of tax	-	-	-	(2,641)	(2,641)
Total comprehensive loss for the year	-	-	-	(9,495)	(9,495)
Dividends paid	-	-	-	(1,000)	(1,000)
Total contributions by and distribution to owners	-	-	-	(1,000)	(1,000)
Balance at 31 December 2024	-	5,737	684	52,531	58,952

The aggregate current and deferred tax debit relating to items that are credited to equity is £415,000 (2024: £440,000).

Company Statement of Changes in Equity for year ended 31 December 2025

	Share capital £000	Reserve for own shares £000	Retained earnings £000	Total £000
Balance at 1 January 2025	5,737	684	52,531	58,952
Total comprehensive income				
Loss for the year	-	-	(1,345)	(1,345)
Other comprehensive income				
Remeasurement of defined benefit liability net of tax	-	-	(58)	(58)
Total comprehensive loss for the year	-	-	(1,403)	(1,403)
Dividends paid	-	-	-	-
Total contributions by and distribution to owners	-	-	-	-
Balance at 31 December 2025	5,737	684	51,128	57,549
	Share capital £000	Reserve for own shares £000	Retained earnings £000	Total £000
Balance at 1 January 2024	5,737	684	63,026	69,447
Total comprehensive income				
Loss for the year	-	-	(6,854)	(6,854)
Other comprehensive income				
Remeasurement of defined benefit liability net of tax	-	-	(2,641)	(2,641)
Total comprehensive loss for the year	-	-	(9,495)	(9,495)
Dividends paid	-	-	(1,000)	(1,000)
Total contributions by and distribution to owners	-	-	(1,000)	(1,000)
Balance at 31 December 2024	5,737	684	52,531	58,952

The aggregate current and deferred tax debit relating to items that are credited to equity is £415,000 (2024: £440,000).

Consolidated and Company Statements of Cash Flows for year ended 31 December 2025

	Note(s)	Group		Company	
		2025 £000	2024 £000	2025 £000	2024 £000
Cash flows used in operating activities					
Loss for the year		(1,345)	(6,854)	(1,345)	(6,854)
Adjustments for:					
Depreciation and amortisation	9-11	5,206	5,519	5,206	5,519
Gain on sale of property, plant and equipment	3	(267)	(4)	(267)	(4)
Gain on disposal of right of use assets		(13)	-	(13)	-
Impairment of assets held for sale		191	-	191	-
Net finance income		(6)	(315)	(6)	(315)
Forgivable loan		(202)	(354)	(202)	(354)
Taxation	8	(2,500)	(1,349)	(2,500)	(1,349)
		<u>1,064</u>	<u>(3,357)</u>	<u>1,064</u>	<u>(3,357)</u>
Change in inventories		(3,300)	(29)	(3,300)	(29)
Change in trade and other receivables		(5,123)	(600)	(5,123)	(600)
Change in trade and other payables		3,486	2,129	3,486	2,129
Change in provisions and employee benefits		(100)	(365)	(100)	(365)
Change in deferred income, including government grant		(37)	(42)	(37)	(42)
Tax receivable		167	-	167	-
		<u>(3,843)</u>	<u>(2,264)</u>	<u>(3,843)</u>	<u>(2,264)</u>
Net cash outflow from operating activities					
Cash flows from investing activities					
Interest received		291	662	291	662
Payments for additions to property, plant and equipment		(769)	(637)	(769)	(637)
Proceeds from sale of property, plant and equipment		727	4	727	4
		<u>249</u>	<u>29</u>	<u>172</u>	<u>29</u>
Net cash from investing activities					
Cash flows used in financing activities					
Dividends paid		-	(1,000)	-	(1,000)
Repayment of borrowings		(1,375)	(1,550)	(1,375)	(1,550)
Finance expenses		(362)	(35)	(362)	(35)
		<u>(1,737)</u>	<u>(2,585)</u>	<u>(1,737)</u>	<u>(2,585)</u>
Net cash used in financing activities					
Net decrease in cash and cash equivalents		(5,331)	(4,820)	(5,331)	(4,820)
Cash and cash equivalents at 1 January		<u>14,663</u>	<u>19,483</u>	<u>14,663</u>	<u>19,483</u>
Cash and cash equivalents at 31 December	17	<u>9,332</u>	<u>14,663</u>	<u>9,332</u>	<u>14,663</u>

Notes

(forming part of the financial statements)

1 Accounting policies

Don & Low Limited (the “Company”) is a private company limited by shares incorporated in Scotland. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The registered number is SC005657 and the registered address is Newfordpark House, Glamis Road, Forfar, DD8 1FR.

The parent company financial statements present information about the Company as a separate entity and not about its Group. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Statement of compliance

Both the parent company financial statements and the Group financial statements have been prepared and approved by the Directors in accordance with the UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions have created uncertainty, particularly over the level of demand for the Group’s products. The Group’s forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group is expected be able to operate within the level of its current facilities.

The Group prepared updated forecasts and projections over 2026 and 2027 to test resilience of the Group. The outcome of this process was assessed in line with the current cash on hand and other borrowing facilities and this showed the Group should be able to operate within the level of these facilities.

Having assessed the principal risks and the other matters discussed in the annual report, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that certain items of property are measured at deemed cost as set out in the property, plant and equipment section of this note. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

These financial statements have been prepared in pounds sterling which is the functional currency. All financial information has been rounded to the nearest thousand unless otherwise stated.

Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. No profit and loss account is presented for Don & Low Limited as exempt by virtue of section 408 of the Companies Act 2006.

Notes (continued)

1 Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The assets and liabilities of foreign operations are translated to the Group's presentational currency at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising for this translation of foreign operations are taken to the translation reserve.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income accumulated in the translation reserve or non-controlling interest, as the case may be. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the translation reserve, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture, the relevant proportion of the cumulative amount is recycled to profit or loss.

Classification of financial instruments issued by the Group

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity 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 Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's 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.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are dividends and are recorded directly in equity.

Notes (continued)

1 Accounting policies (continued)

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost, less any impairment losses.

The Group has adopted the simplified expected credit loss model for its trade receivables and contract assets, as required by paragraph 5.5.15 of IFRS 9.

Trade and other payables

Trade and other payables are stated at cost.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis. When the terms of an Interest-bearing borrowings are modified (for example, extension of the term, or change the payment structure), the Group would assess the cash flows under the modified terms by rediscounting the cashflows at the original effective interest rate. If the modification is considered an extinguishment of the initial debt, the new modified debt is recorded at fair value, and a gain/loss is recognised immediately in the income statement for the difference between the carrying amount of the old debt and the new debt.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Certain items of property, plant and equipment that had been revalued to fair value on the transition to adopt IFRS, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- Land and buildings 5-40 years
- Plant and equipment 3-10 years
- Motor vehicles 4 years

Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Other intangibles 5 years

Notes (continued)

1 Accounting policies (continued)

Leases

The Group leases various equipment and vehicles. Rental contracts are typically made for fixed periods of 3 to 7 years. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Don and Low, which does not have recent third-party financing; and
- makes adjustments specific to the lease, for example term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Notes (continued)

1 Accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Impairment

The carrying amounts of the Group's assets other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Calculation of recoverable amount

The recoverable amount of assets or cash generating unit is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Research and development

Expenditure on research is written off in the year in which it is incurred. Any costs which meet the criteria for development under IAS 38 are capitalised.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Revenue grants are released to profit over the life of the project to which they relate.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss as incurred.

Defined benefit plans

A deferred benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. The Group determines the net interest on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligations at the beginning of the annual period to the net defined benefit liability.

Notes *(continued)*

1 Accounting policies *(continued)*

Employee benefits *(continued)*

The Group recognises actuarial gains and losses in the period they occur directly into equity through the statement of comprehensive income.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit and loss.

The calculation of the defined obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refund from the plan or reduction in future contributions and takes into account the adverse effect of any minimum funding requirements.

Revenue Recognition

The revenues from the sale of goods are recognised when the control of the good is transferred to the customer, usually upon delivery of the good, and therefore all relevant obligations have been fulfilled meaning that the acceptance of the good by the customer cannot be negatively affected.

The receivable is recognised when the Group (or Company) possesses the right to receive unconditionally the price amount in exchange for the executed obligations of the contract towards the customer.

The conventional asset is recognized when the Group (or Company) has satisfied its obligations towards the customer, and before the customer makes the respective payment or before the payment becomes claimable. The payment usually becomes claimable between 30 – 90 days.

The conventional obligation is recognised when the Group (or Company) receives an amount (price) from the customer (advance payment) or when it maintains the right over a price consideration which is unconditional (deferred income) prior to the execution of the obligations of the contract and the transfer of the goods or the services. The conventional obligation is de-recognised when all the terms of the contracts have been executed and the revenue has been recorded in the statement of income.

Volume based rebates are recognised within turnover in line with the agreed contractual terms when it is probable that they will be paid by the Group.

Net financing costs

Net financing costs comprise interest payable, interest receivable on funds invested and foreign exchange gains and losses that are recognised in the income statement.

Interest income and interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

Dividends

Dividends to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

Exceptional items

Exceptional items are transactions which fall within the ordinary activities of the Group but are presented separately due to their size or incidence. By their nature these items are not expected to recur in future periods.

Notes (continued)

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Pension benefits- Estimate

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of judgements. The assumptions used in determining the net cost (income) for pensions include the discount rate, inflation, future salary increase and mortality. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group makes a judgement on the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Recognition of defined benefit surplus (note 20) – assessing the extent to which the value of the defined benefit surplus can be recognised in the statement of financial position - Judgement

In accordance with IAS 19 ‘Employee benefits’ and IFRIC 14 ‘The limit on a defined benefit asset, minimum funding requirements’, the full value of any calculated surplus is currently recognised as the Group has an unconditional right to refund, assuming the gradual settlement of the schemes’ liabilities over time until all members have left the schemes.

Estimation of impairment of property, plant and equipment and their useful live - Estimate

The Group’s management considers on an annual basis whether property, and plant and equipment suffered impairment in accordance with accounting policies stated above. The recoverable amounts of the assets are estimated based on the value-in-use method or fair value less cost of disposal. The value in use method uses the estimated cash flow projections over the estimated useful life of the asset discounted using market rates.

The Group’s management estimate the useful lives of the property plant and equipment and the related depreciation charge. The depreciation charge for the year will change significantly if actual life is different from the estimated useful life of the asset.

Notes (continued)

1 Accounting policies (continued)

Critical accounting estimates and judgements (continued)

Investment in subsidiaries - Estimate

The Group assesses the carrying value of the investments in subsidiaries and the need for an impairment, primarily based on their balance sheet net asset position given their dormant nature.

Inventory provisioning - Estimate

The Group considers the recoverability of the cost of the inventory and associated provisioning required. When calculating the inventory provision, management estimate the nature and condition of inventory, as well as applying assumptions around anticipated saleability of finished goods and future of raw materials.

Trade receivables - Estimate

The Group considers the recoverability of trade receivables balances, and provides for all balances where the company makes a judgement that there to be a risk with regard to recovery of the full amount.

Accruals – Estimate

The Group's management estimate accruals using post year end information and information available from detailed budgets. This identifies costs that are expected to be incurred for goods and services provided by other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

Electricity credit – Estimate

The Group's management estimate amounts receivable from electricity compensation schemes based on scheme guidance, energy usage levels, and evidence from credits provided on returns.

Climate change - Estimate

The Group recognises that there may be potential financial implications in the future from climate change risk. The Group expects that climate change policies, legislation and regulation will increase, and likely on accelerating timelines in order to meet the Government targets which, although will result in intended benefits, is likely to increase associated costs and administration requirements. These in due course may well have an impact across a number of areas of accounting including impairment, fair values, increased costs, onerous contracts and contingent liabilities. However as at the balance sheet date the Group believes there is no material impact on the balance sheet carrying values of assets or liabilities. Although this is an estimate, it is not considered a critical estimate, as management's view is that at the end of the current reporting period there is no significant risk of climate change resulting in a material adjustment to the carrying amounts of assets and liabilities, within the next financial year.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Disclosure: Classification and measurement of Financial Instruments – Amendments to IFRS 7 and IFRS 9. Effective for annual reporting periods beginning on or after 1 January 2026.
- Disclosure: Contracts Referencing Nature-dependent Electricity– Amendments to IFRS 7 and IFRS 9. Effective for annual reporting periods beginning on or after 1 January 2026.
- IFRS 18 Presentation and Disclosure in Financial Statements. Effective for annual reporting periods beginning on or after 1 January 2027.
- IFRS 19 Subsidiaries without Public Accountability: Disclosure. Effective for annual reporting periods beginning on or after 1 January 2027.
- IAS21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency. Effective for annual reporting periods beginning on or after 1 January 2027.

Notes (continued)

1 Accounting policies (continued)

Significant events occurring after the end of the year

After the closure of the 2025 financial year, there were no events that could have significant effects on the company's financial statements.

2 Revenue

Business divisions

The Group comprises the following main business divisions:

Technical Textiles - the manufacture and sale of woven polyolefin textiles.

Nonwovens Textiles - the manufacture and sale of nonwoven polyolefin textiles.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

	Technical Textiles continuing operations		Nonwovens continuing operations		Consolidated	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Total revenue from sales to external customers:	31,018	27,801	30,039	28,033	61,057	55,834

Notes *(continued)*

2 Revenue analysis *(continued)*
Geographical segments

	UK Continuing operations		Europe – EC Continuing operations		Europe – other Continuing operations		Other regions Continuing operations		Consolidated	
	2025	2024	2025	2024	2025	2024	2024	2024	2025	2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Revenue from external customers	43,940	39,667	12,785	12,147	849	702	3,483	3,318	61,057	55,834

Notes (continued)

3 Other operating income

	2025 £000	2024 £000
Government grants	3	3
Gain on disposal of fixed assets	267	4
Loan forgiveness	202	354
Electricity credit	676	-
	<u>1,147</u>	<u>361</u>

There are no unfulfilled conditions or other contingencies attached to government assistance that has been recognised.

4 Operating profit

Included in operating profit are the following:

	2025 £000	2024 £000
Foreign exchange gains	(11)	(76)
Research and development expensed as incurred	961	1,390
Exceptional reorganisation expenses	(259)	(192)
Exceptional impairment and disposal of stock	(191)	(1,111)
	<u></u>	<u></u>

Auditors' remuneration:

	£000	£000
Audit of these financial statements	70	136
	<u></u>	<u></u>

The exceptional reorganisation expenses in the current and prior years represent redundancy and related costs as a result of the Group's restructuring process.

The exceptional impairment of stock relates to a business decision to cease manufacturing of artificial grass products and the subsequent write down to recoverable value of the grass inventories.

5 Staff numbers and costs – Group and Company

The average monthly number of persons (including directors) employed by the Group and Company during the year was as follows:

	2025 Number	2024 Number
Manufacturing	278	280
Selling	37	40
Administration	23	24
	<u>338</u>	<u>344</u>

The aggregate payroll costs of these persons were as follows:

	2025 £000	2024 £000
Wages and salaries	12,811	12,868
Social security costs	1,427	1,198
Pension costs – defined contribution plans	846	891
	<u>15,084</u>	<u>14,957</u>

Notes (continued)

6 Directors' emoluments

Key management of the Group are the executive members of the board of directors. Key management personnel remuneration includes the following expenses:

	2025 £000	2024 £000
Directors' emoluments	223	268
Short term employee benefits	7	7
Post-employment benefits	15	20
	245	295

The aggregate emoluments of the highest paid director was £196,000 (2024: £189,000). This includes company contributions to the pension scheme of £15,000 (2024: £15,000). Under the defined benefit scheme his accrued pension at the year end was £48,000 (2024: £47,000). He has no entitlement to an accrued lump sum.

	Number of directors 2025 Number	2024 Number
Retirement benefits are accruing to the following number of directors under:		
Defined contribution scheme	1	2
	1	2

7 Financial income and expenses

	2025 £000	2024 £000
<i>Financial income</i>		
Interest income	260	617
Amortisation	31	45
	291	662
Total financial income		
<i>Financial expenses</i>		
Interest expense	74	129
Net interest on defined benefit pension plan obligation	200	200
Foreign exchange losses	11	18
	285	347
Total financial expenses		

Notes (continued)

8 Taxation

Recognised in the statement of comprehensive income

	2025	2024
	£000	£000
<i>Current tax expense</i>		
Current year	-	-
Adjustments in respect of prior year	-	-
Total current tax expense	-	-
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(944)	(1,674)
Adjustments in respect of prior year	(1,556)	325
Total deferred tax excluding pension scheme movements	(2,500)	(1,349)
Total tax on statement of comprehensive income	(2,500)	(1,349)

Income tax recognition in other comprehensive income

	2025	2024
	£000	£000
Remeasurement of defined benefit liability	25	(825)
Corporation tax relief on contribution to pension scheme	(44)	(41)
	(19)	(866)

Reconciliation of effective tax rate

	2025	2024
	£000	£000
Profit before tax	(3,845)	(8,203)
Tax using the UK corporation tax rate of 25% (2024: 25%)	(961)	(2,051)
Other timing differences	17	241
Income not subject to tax	-	137
Adjustments in respect of prior year	(1,556)	324
Total tax in statement of comprehensive income	(2,500)	(1,349)

Notes (continued)

9 Property, plant and equipment – Group and Company

	Land and buildings £000	Plant and equipment £000	Total £000
Cost			
Balance at 1 January 2025	19,349	96,719	116,068
Additions	55	608	663
Disposals	-	(171)	(171)
Transfer to held for sale	-	-	-
Balance at 31 December 2025	19,404	97,156	116,560
Balance at 1 January 2024	19,349	99,887	119,236
Additions	-	637	637
Disposals	-	(317)	(317)
Transfer to held for sale		(3,488)	(3,488)
Balance at 31 December 2024	19,349	96,719	116,068
Accumulated depreciation and impairment			
Balance at 1 January 2025	11,971	73,030	85,001
Depreciation charge for the year	538	4,471	5,009
Disposals	-	(164)	(164)
Transfer to held for sale	-	-	-
Balance at 31 December 2025	12,509	77,337	89,846
Balance at 1 January 2024	11,433	70,688	82,121
Depreciation charge for the year	538	4,738	5,276
Disposals	-	(316)	(316)
Transfer for held for sale		(2,080)	(2,080)
Balance at 31 December 2024	11,971	73,030	85,001
Net book value			
At 31 December 2023	7,916	29,199	37,115
At 31 December 2024	7,378	23,689	31,067
At 31 December 2025	6,895	19,819	26,714

Plant and equipment additions include £831,000 (2024: £662,000) of assets under construction that have not been depreciated in the current year. During the year £768,000 (2024: £613,000) were additions to assets under construction and £599,000 (2024: £1,317,000) was transferred to depreciable plant and equipment.

The Company annually assesses the assets of the company for impairment indicators. Where impairment indicators are identified, management performs an impairment analysis for the relevant asset. For the 2025 reporting period the recoverable amount of the assets were determined based on the value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Based on the impairment assessment performed, there was no impairment charge in the year (2024: £nil).

Production of artificial grass ceased during 2024. The related equipment is currently held for sale. Details are disclosed in note 14.

Notes *(continued)*

10 Right of use assets – Group and Company

	Motor vehicles £000	Total £000
Cost		
Balance at 1 January 2025	745	745
Additions	25	25
Disposals	(87)	(87)
Balance at 31 December 2025	683	683
Balance at 1 January 2024	663	663
Additions	151	151
Disposals	(69)	(69)
Balance at 31 December 2024	745	745
Accumulated depreciation		
Balance at 1 January 2025	444	444
Depreciation charge for the year	170	170
Disposals	(100)	(100)
Balance at 31 December 2025	514	514
Balance at 1 January 2024	316	316
Depreciation charge for the year	191	191
Disposals	(63)	(63)
Balance at 31 December 2024	444	444
Net book value		
At 31 December 2024	301	301
At 31 December 2025	169	169

Notes *(continued)*

11 Intangible assets – Group and Company

	Other intangibles £000	Total £000
Cost		
Balance at 1 January 2025	714	714
Additions	106	106
Balance at 31 December 2025	820	820
Balance at 1 January 2024	714	714
Additions	-	-
Balance at 31 December 2024	714	714
Accumulated amortisation		
Balance at 1 January 2025	623	623
Amortisation	27	27
Balance at 31 December 2025	650	650
Balance at 1 January 2024	571	571
Amortisation charge for the year	52	52
Balance at 31 December 2024	623	623
Net book value		
At 31 December 2024	91	91
At 31 December 2025	170	170

Notes (continued)

12 Investments in subsidiaries

The Company has the following investments in subsidiaries:

					£000
At beginning and end of year					575
Company	Registered office	Principal activities	Class of shares held	Ownership held by the Group and Company	
				2025	2024
Don & Low (Holdings) Limited	Newfordpark House, Glamis Road, Forfar, DD8 1FR	Dormant	Ordinary shares	100%	100%
Don & Low Nonwovens Limited	Newfordpark House, Glamis Road, Forfar, DD8 1FR	Dormant	Ordinary shares	100%	100%

13 Deferred tax assets and liabilities – Group and Company

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Property, plant and equipment	-	-	(2,696)	(3,770)	(2,696)	(3,770)
Losses carried forward	3,208	1,317	-	-	3,208	1,317
Employee benefits	-	-	(1,671)	(1,225)	(1,671)	(1,225)
Net tax assets/(liabilities)	3,208	1,317	(4,367)	(4,995)	(1,159)	(3,678)

The deferred tax liability has been recognised in relation to the surplus in the defined benefit pension scheme.

Movement in deferred tax during the year

	1 January 2025 £000	Recognised in profit or loss £000	Recognised in other comprehensive income £000	31 December 2025 £000
Property, plant and equipment	(3,770)	1,074	-	(2,696)
Losses carried forward	1,317	1,891	-	3,208
Employee benefits	(1,225)	(44)	(402)	(1,671)
	(3,678)	2,921	(402)	(1,159)

Movement in deferred tax during the prior year

	1 January 2024 £000	Recognised in profit or loss £000	Recognised in other comprehensive income £000	31 December 2024 £000
Property, plant and equipment	(5,226)	1,456	-	(3,770)
Losses carried forward	1,422	(105)	-	1,317
Employee benefits	(2,051)	41	785	(1,225)
	(5,855)	1,392	785	(3,678)

Notes (continued)

14 Assets held for sale

On 1 July 2024, the board decided that the Group would cease manufacturing of artificial grass and dispose of the related machinery and equipment. Manufacturing of artificial grass was determined to be an unpredictable environment and many competitors now manufacture artificial grass in a low cost country making it difficult for the Group to derive profitability and growth from the sector.

During 2025 there was a partial sale of the assets and the gain on sale is included in note 3.

The resultant gain or loss from the future sale of assets will be recognised in the statement of comprehensive income. As at 31 December 2025 the Group is in discussions for the sale of the assets, a sale is highly probable, therefore the remaining machinery and equipment continue to be classified as held for sale.

	Group and Company	
	2025	2024
	£000	£000
Artificial grass machinery	764	1,408
	<u>764</u>	<u>1,408</u>

15 Inventories

	Group and Company	
	2025	2024
	£000	£000
Raw materials and consumables	9,238	5,828
Work in progress	2,276	1,918
Finished goods	6,884	7,353
	<u>18,399</u>	<u>15,099</u>

Inventories to the value of £31,232,000 were recognised as expenses in the year (2024: £29,182,000). During the year, £93,000 was charged for the write down of stock to its net realisable value as a result of experiencing lower recoverability in the selling price of aged stock (2024: charge £282,000).

16 Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade receivables due from third parties	9,864	7,922	9,864	7,922
Trade receivables due from related parties	2,283	931	2,283	931
Other receivables and prepayments	2,099	270	2,099	270
	<u>14,246</u>	<u>9,123</u>	<u>14,246</u>	<u>9,123</u>

At 31 December 2025, trade receivables due from third parties are shown net of the loss allowance for doubtful debts of £242,000 (2024: £165,000) arising from a review of expected recoverability of the receivables.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 22.

Notes (continued)

17 Cash and cash equivalents

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Cash and cash equivalents per balance sheet and statement of cash flows	9,332	14,663	9,332	14,663

18 Loans and borrowings

This note provides information about the contractual terms of the Group and Company's interest-bearing loans and borrowings. For more information about the Group and Company's exposure to interest rate and foreign currency risk, see note 22.

	Group and Company	
	2025 £000	2024 £000
Non-current liabilities		
Lease liability	52	127
Collateralised debt	413	1,635
	465	1,762
Current liabilities		
Lease liability	101	153
Collateralised debt	1,223	1,196
Government borrowings	30	260
	1,354	1,609

Terms and debt repayment schedule

2025	Total £000	1 year or less £000	1-2 years £000	2-5 years £000	Over 5 years £000
Lease liability	153	101	52	-	-
Collateralised debt	1,636	1,223	413	-	-
Government borrowings	30	30	-	-	-
2024					
Lease liability	280	153	92	35	-
Collateralised debt	2,831	1,196	1,222	413	-
Government borrowings	260	260	-	-	-

Notes (continued)

18 Loans and borrowings (continued)

Bank loans and other borrowings	Government borrowings £000	Collateralised debt £000	Total £000
At 1 January 2025	260	2,831	3,091
Repayment of borrowings	(32)	(1,245)	(1,277)
Loan forgiven	(202)	-	(202)
Interest	4	50	54
At 31 December 2025	30	1,636	1,666
At 1 January 2024	694	4,002	4,696
Repayment of borrowings	(95)	(1,171)	(1,266)
Loan forgiven	(354)	-	(354)
Interest	15	-	15
At 31 December 2024	260	2,831	3,091

Company's bank facilities are secured by a bond and floating charge over the assets of the Group. Collateralised debt relates to a collateralised loan on an owned asset, interest rates of 2.15% (2024 2.15%).

During 2020 a repayable government grant of £3,415,000 was awarded from Scottish Enterprise, this does not attract interest and has variable annual repayments based on production volume. As the loan does not attract interest, imputed interest at 2.5% has been recognised. During the year the production volume requirement was not met and the payment requirement of £202,000 (2024 £354,000) was forgiven.

For the borrowings detailed above, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

Notes (continued)

19 Trade and other payables

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Trade payables	7,258	6,500	7,258	6,500
Other payables due to related parties	2,290	1,088	2,290	1,088
Non-trade payables and accrued expenses	4,689	2,996	4,689	2,996
Non-trade payables due to related parties	-	-	575	575
	<u>14,237</u>	<u>10,584</u>	<u>14,812</u>	<u>11,159</u>

20 Employee benefits

Defined contribution plan

The Group operates a defined contribution pension plan. The total expense relating to this plan in the current year was £846,000 (2024: £891,000). The outstanding contributions at the year end amount to £136,000 (2024: £142,000)

Defined benefit plan

The Don & Low Pension Fund, which is a wholly funded defined benefit pension scheme, is established as a separate trust with the result that its assets are held independently from the Group's own assets. The fund was contracted-out of the State Earnings Related Pension arrangements. The funding objective is to build up and maintain sufficient assets to ensure that, at any given time, it is sufficient to secure the liabilities in respect of service rendered to date.

The surplus disclosed below has been calculated using assumptions determined in accordance with the requirements of IAS19.

The Don & Low Pension Fund was closed to new employees in April 2006 and was closed to future accrual with effect from 1 September 2017.

Pension plans

The information disclosed below is in respect of the whole of the plans for which the Group is the sponsoring employer throughout the years shown.

	Group and Company	
	2025 £m	2024 £m
Present value of funded defined benefit obligations	(81.2)	(83.0)
Fair value of plan assets	86.2	87.9
	<u>5.0</u>	<u>4.9</u>
Net assets		
	<u>5.0</u>	<u>4.9</u>
Recognised defined benefit asset		

Notes (continued)

20 Employee benefits (continued)

Pension plans (continued)

Movements in present value of defined benefit obligation

	Group and Company	
	2025	2024
	£m	£m
At 1 January	(83.0)	(89.0)
Interest cost	(4.5)	(4.2)
Actuarial gains	1.3	5.7
Benefits paid	5.0	4.5
At 31 December	(81.2)	(83.0)

Movements in fair value of plan assets

	Group and Company	
	2025	2024
	£m	£m
At 1 January	87.9	97.2
Actual return on plan assets	(1.3)	(9.2)
Interest income	4.7	4.6
Contributions by employer	0.4	0.4
Benefits paid	(5.0)	(4.5)
Expenses	(0.5)	(0.6)
At 31 December	86.2	87.9

Expense recognised in the statement of comprehensive income

	Group and Company	
	2025	2024
	£m	£m
Net interest cost	(0.2)	(0.2)
Total	(0.2)	(0.2)

The expense is recognised in the following line items in the statement of comprehensive income:

	Group and Company	
	2025	2024
	£m	£m
Finance expense	(0.2)	(0.2)
	(0.2)	(0.2)

Cumulative actuarial gains reported in the statement of changes in equity since 1 January 2014, the transition date to Adopted IFRSs, are £8,699,000 (2024: £7,399,000).

Notes (continued)

20 Employee benefits (continued)

Pension plans (continued)

The fair value of the plan assets and the return on these assets were as follows:

	Group and Company	
	2025	2024
	Fair value	Fair value
	£m	£m
Multi-Asset Credit Fund	36.0	34.8
Corporate bonds	45.5	46.0
Cash/other	4.7	7.1
	86.2	87.9
<i>Actual return on plan assets</i>		
Actual (loss)/gain on plan assets	(1.3)	(9.2)
Interest income	4.7	4.6
	3.4	(4.6)

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows:

	2025	2024
	%	%
Discount rate	5.60	5.54
Future salary increases	2.90	3.12
Inflation	2.90	3.12
Increases to deferred pensions	2.65	2.82
Pension increases	2.22	2.27

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions as follows:

		2025	2024
		£m	£m
Discount rate	Increase of 0.25% p.a	(2.25)	(2.1)
Future salary increases	Increase of 0.25% p.a	0.3	0.3
Inflation	Increase of 0.25% p.a	1.9	2.1

In valuing the liabilities of the pension fund at 31 December 2025, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 December 2025 would have increased by approximately £2,100,000 (2024: £1,700,000) before deferred tax.

The above sensitivities are based on the average duration of the benefit obligation determined by adjusting and updating the final results of the scheme valuation as at 31 December 2025 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

Notes (continued)

20 Employee benefits (continued)

Pension plans (continued)

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 62-year old to live for a number of years as follows:

2025

- Current pensioner aged 62: 24 years (male), 27 years (female)
- Future retiree upon reaching 62: 25 years (male), 28 years (female)

2024

- Current pensioner aged 62: 23 years (male), 26 years (female).
- Future retiree upon reaching 62: 25 years (male), 28 years (female).

History of plans

The history of the plans for the current and prior years is as follows:

Balance sheet

	Group and Company				
	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Present value of defined benefit obligation	(81.2)	(83.0)	(89.0)	(89.8)	(134.2)
Fair value of plan assets	86.2	87.9	97.2	96.1	132.5
Surplus/(deficit)	5.0	4.9	8.2	6.3	(1.7)

Experience adjustments

	Group and Company	
	2025 £m	2024 £m
Actual return on plan assets	(1.3)	(9.2)
Gain on change of assumptions on Defined benefit obligation	1.3	5.7
Total gains recognised in the statement of changes in equity	-	(3.5)

The gain on change of assumptions during the year relates to changes in financial assumptions and experience adjustments.

The Group expects to contribute approximately £377,000 to its defined benefit plan in the next financial year.

Notes (continued)

20 Employee benefits (continued)

Pension plans (continued)

Risk Exposure

Through its defined benefit pension plans and post-employment medical plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long term while providing volatility and risk in the short term.

As the plan matures, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. A formal quarterly de-risking process is in place to achieve this.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risks

Some of the Group's pension obligations are linked to salary inflation, and higher inflation will lead to higher liabilities. The plan's assets contain a significant portion of index linked bonds but also assets that are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy

The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

Virgin Media v NTL: continued assessment

The High Court ruling in *Virgin Media v NTL Pension Trustees II Limited* (June 2023), and the subsequent Court of Appeal decision on 25 July 2024, raised questions over the validity of certain historical rule amendments made to contracted-out defined benefit schemes between 6 April 1997 and 5 April 2016. Certain amendments over this time required confirmation from the Scheme Actuary that the 'Reference Scheme Test' would continue to be met. In the absence of such a confirmation, the Rule amendment could be void. This ruling could have wide ranging implications for many UK pension schemes and was subject to an Appeal, which upheld the original decision on 25 July 2024.

The Don & Low Pension Fund was contracted-out during this period and is subject to Scots law. The Trustees, the Company and their professional advisers have continued to review the implications of the judgment. More recently, in June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The Pension Schemes Act 2026 came into force on 29 April 2026 and in the majority of cases trustees can request retrospective actuarial confirmations.

However, at the date of approval of these financial statements, a full legal and actuarial assessment has not been completed. The Trustees remain aware of the matter and are monitoring any potential impact on scheme liabilities. No allowance has been made for any potential impact within the scheme liabilities at 31 December 2025.

Notes (continued)

21 Share capital – Group and Company

	2025 £000	2024 £000
<i>Authorised, Allotted, called up and fully paid</i>		
22,946,765 (2024: 22,946,765) Ordinary shares of 25p each	5,737	5,737

The number of shares outstanding at the beginning and end of the financial year is as noted above.

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

	2025 £000	2024 £000
Dividends for the year of 0.00p per fully paid share (2024 – 4.36p)	-	1,000

The Directors' do not propose a further dividend for the year (2024: nil).

Reserve for own shares

The purchase and subsequent cancellation of the 20% shareholding held by Basell UK Holdings Limited led to the creation of a capital redemption reserve of £684,000 during 2003.

22 Financial instruments

Overview

The Group has exposure to the following risks for its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Foreign currency risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Notes (continued)

22 Financial instruments (continued)

Effective interest rates and repricing analysis – Group

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature or, if earlier, are repriced.

2025						
	Effective interest rate	Total £000	Less than 1 year £000	1 to 2 Years £000	2 to 5 Years £000	Over 5 Years £000
Cash and cash equivalents		9,332	9,332	-	-	-
Lease liability		(153)	(101)	(52)	-	-
Collateralised debt	2.15%	(1,636)	(1,223)	(413)	-	-
Government borrowings		(30)	(30)	-	-	-
		<u>7,513</u>	<u>7,978</u>	<u>(465)</u>	<u>-</u>	<u>-</u>
		<u><u>7,513</u></u>	<u><u>7,978</u></u>	<u><u>(465)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
2024						
	Effective interest rate	Total £000	Less than 1 year £000	1 to 2 Years £000	2 to 5 Years £000	Over 5 Years £000
Cash and cash equivalents		14,663	14,663	-	-	-
Lease liability		(280)	(153)	(92)	(35)	-
Collateralised debt	2.15%	(2,831)	(1,196)	(1,222)	(413)	-
Government borrowings		(260)	(260)	-	-	-
		<u>11,292</u>	<u>13,054</u>	<u>(1,314)</u>	<u>(448)</u>	<u>-</u>
		<u><u>11,292</u></u>	<u><u>13,054</u></u>	<u><u>(1,314)</u></u>	<u><u>(448)</u></u>	<u><u>-</u></u>

Interest and repayments on collateralised debt and lease liabilities are due monthly.

Government borrowings are interest free and have variable repayment terms.

Notes (continued)

22 Financial instruments (continued)

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

The principal market risk relates to fluctuations in the prices of polymer raw material.

Sensitivity analysis

In managing interest rate and currency risks the Group and company aims to reduce the impact of short-term fluctuations on the Group and company's earnings. Over the longer-term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

Group and company

At 31 December 2025, it is estimated that a general increase of one percentage point in interest rates would increase the Group's profit before tax by approximately £2,000 (2024: increase by £6,000).

It is estimated that a general increase of one percentage point in the value of the Euro against other foreign currencies would have reduced the Group's profit before tax by approximately £71,000 for the year ended 31 December 2025 (2024: reduced by £55,000).

It is estimated that a general increase of one percentage point in the value of the US Dollars against other foreign currencies would have increased the Group's profit before tax by approximately £29,000 for the year ended 31 December 2025 (2024: increased by £4,000).

It is estimated that a 1% increase in raw material prices would have reduced the Group's profit by approximately £312,320 (2024: reduced by £279,000).

Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	2025		2024	
	Fair value £000	Carrying value £000	Fair value £000	Carrying value £000
Group				
Receivables	11,764	11,764	8,853	8,853
Cash and cash equivalents	9,332	9,332	14,663	14,663
	21,096	21,096	23,516	23,516
Trade and other payables	9,544	9,544	7,588	7,588
Lease liability	152	152	280	280
Collateralised debt	1,666	1,666	2,831	2,831
Government borrowings	30	30	260	260
	11,392	11,392	10,959	10,959

Notes (continued)

22 Financial instruments (continued)

	Fair value £000	2025 Carrying value £000	Fair value £000	2024 Carrying value £000
Company				
Receivables	11,764	11,764	8,853	8,853
Cash and cash equivalents	9,332	9,332	14,663	14,663
	<u>21,096</u>	<u>21,096</u>	<u>23,516</u>	<u>23,516</u>
Trade and other payables	10,119	10,119	8,163	8,163
Lease liability	152	152	280	280
Collateralised debt	1,666	1,666	2,831	2,831
Government borrowings	30	30	260	260
	<u>11,987</u>	<u>11,987</u>	<u>11,534</u>	<u>11,534</u>

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers. Credit risk is managed by the insurance of debts and a system of internal credit limit setting is followed using trade and bank references and credit rating agencies.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Receivables	12,147	8,853	12,147	8,853
Cash and cash equivalents	9,332	14,663	9,332	14,663
	<u>21,479</u>	<u>23,516</u>	<u>21,479</u>	<u>23,516</u>

Cash and cash equivalents are balances lodged with banks with an A credit rating

Notes (continued)

22 Financial instruments (continued)

Exposure to credit risk (continued)

The concentration of credit risk for receivables at the reporting date by geographic region was:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
UK	7,679	7,164	7,679	7,164
Europe – other	3,700	1,196	3,700	1,196
USA	209	105	209	105
Other regions	559	388	559	388
	<u>12,147</u>	<u>8,853</u>	<u>12,147</u>	<u>8,853</u>

The concentration of credit risk relates entirely to customers or related parties for the current and prior years.

The three most significant customers represented £3,915,000 (2024: £1,975,000) of receivables at the year end.

Movement in impairment

	2025	2024
	£000	£000
Balance 1 January	(165)	(190)
Released during year	-	25
Applied during the year	(77)	-
	<u>(242)</u>	<u>(165)</u>
Balance at 31 December	(242)	(165)

The ageing of receivables at the reporting date was:

Group	Impairment	Gross	Impairment	Gross
	2025	2025	2024	2024
	£000	£000	£000	£000
Not past due	-	7,772	(28)	6,105
Past due 1-30 days	-	3,279	(120)	2,754
Past due 31-90 days	(242)	1,338	(17)	156
Past due 91-180 days	-	-	-	3
	<u>(242)</u>	<u>12,389</u>	<u>(165)</u>	<u>9,018</u>

Notes (continued)

22 Financial instruments (continued)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

			2025			
	Carrying Amount £000	Contractual cash flows £000	Less than 1 year £000	1 to 2 years £000	2 to 5 years £000	Over 5 years £000
Non-derivative financial liabilities						
Lease liability	153	160	106	54	-	-
Collateralised debt	1,636	1,660	1,245	415	-	-
Government borrowings	30	30	30	-	-	-
	<u>1,819</u>	<u>1,850</u>	<u>1,381</u>	<u>469</u>	<u>-</u>	<u>-</u>
	<u><u>1,819</u></u>	<u><u>1,850</u></u>	<u><u>1,381</u></u>	<u><u>469</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
			2024			
	Carrying Amount £000	Contractual cash flows £000	Less than 1 year £000	1 to 2 Years £000	2 to 5 Years £000	Over 5 Years £000
Non-derivative financial liabilities						
Lease liability	280	296	171	86	39	-
Collateralised debt	2,831	2,905	1,245	1,245	415	-
Government borrowings	260	265	265	-	-	-
	<u>3,371</u>	<u>3,466</u>	<u>1,681</u>	<u>1,331</u>	<u>454</u>	<u>-</u>
	<u><u>3,371</u></u>	<u><u>3,466</u></u>	<u><u>1,681</u></u>	<u><u>1,331</u></u>	<u><u>454</u></u>	<u><u>-</u></u>

Notes (continued)

22 Financial instruments (continued)

The financial liabilities excluding bank loans were:

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Payables ageing (less than one year)	9,548	7,588	9,548	7,588
	<u>9,548</u>	<u>7,588</u>	<u>9,548</u>	<u>7,588</u>

Foreign currency risk

Group and company

The Group incurs foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than sterling. The currencies giving rise to this are primarily Euros and US Dollars. No formal hedging policy is used.

The Group's exposure to foreign currency risk was:

	2025 EUR €000	2025 USD \$000
Receivables	3,918	279
Cash and cash equivalents	627	82
Payables	(5,266)	(6)
	<u>(721)</u>	<u>355</u>
	2024 EUR €000	2024 USD \$000
Receivables	1,999	99
Cash and cash equivalents	1,243	179
Payables	(2,882)	(119)
	<u>360</u>	<u>159</u>

The following significant exchange rates applied:

	Average rate		Closing rate	
	2025	2024	2025	2024
EUR	1.1671	1.1809	1.1460	1.2067
USD	1.3189	1.2779	1.3466	1.2535

Notes (continued)

22 Financial instruments (continued)

Capital management

The company's objectives when managing capital (defined as net debt plus equity) are to safeguard the Company's ability to continue as a going concern in order to provide return to shareholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The company manages its capital and makes adjustments to it, in light of changes to economic conditions and the strategic objectives of the company.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net (cash)/debt Divided by Total equity as shown on the balance sheet.

During 2025 the strategy was unchanged from 2024

	2025 £000	2024 £000
Net (cash)/debt (Total debt less lease liabilities and cash)	(7,513)	(11,552)
Total equity	57,549	58,982
Net (cash)/debt %	(13)%	(20)%

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

The company finances its operations by a combination of retained profits, leasing arrangements and bank borrowings.

23 Capital commitments

Group and company

As at 31 December 2025, the Group had outstanding contracts to purchase plant and equipment of £295,000 (2024: £919,000).

24 Related parties

Identity of related parties

The Group and parent company is controlled by Thrace Plastics Co SA - the ultimate parent company. The Group and parent company also trades with fellow subsidiaries of Thrace Plastics Co SA.

The Don & Low Pension Fund and the Directors are also related parties.

The related party transactions during the year and the balances as at the year end with these related parties are as follows:

Notes (continued)

24 Related parties (continued)

Company	2025										
	Thrace Plastics Co SA (ultimate parent)	Synthetic Packaging Limited (fellow subsidiary)	Thrace Nonwovens & Geosynthetics (fellow subsidiary)	Synthetic (Holdings) Limited (fellow subsidiary)	Thrace Plastics Pack S.A. (fellow subsidiary)	Thrace Polyfilms (fellow subsidiary)	Thrace Protect (fellow subsidiary)	Lumite (fellow subsidiary)	Don & Low Australia Pty (subsidiary)	Don & Low (Holdings) Limited (subsidiary)	Don & Low Nonwovens Limited (subsidiary)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Revenue transactions											
Sales to	-	1,532	4,123	-	-	16	-	-	-	-	-
Purchases from	-	-	(7,220)	-	-	(1,981)	-	-	-	-	-
Management charges from	(878)	-	-	-	-	-	(1)	-	-	-	-
Management charges to	-	-	-	90	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Balances at the year end											
Sales ledger	-	124	2,143	-	-	16	-	-	-	-	-
Purchase ledger	-	-	(1,444)	-	-	(353)	(1)	-	-	(50)	(525)
Group Relief Payable	-	-	-	(492)	-	-	-	-	-	-	-
Company	2024										
	Thrace Plastics Co SA (ultimate parent)	Synthetic Packaging Limited (fellow subsidiary)	Thrace Nonwovens & Geosynthetics (fellow subsidiary)	Synthetic (Holdings) Limited (fellow subsidiary)	Thrace Linq Inc (fellow subsidiary)	Thrace Polyfilm (fellow subsidiary)	Thrace Protect (fellow subsidiary)	Lumite (fellow subsidiary)	Don & Low Australia Pty (subsidiary)	Don & Low (Holdings) Limited (subsidiary)	Don & Low Nonwovens Limited (subsidiary)
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Revenue transactions											
Sales to	2	1,627	1,784	-	-	26	-	-	-	-	-
Purchases from	-	-	(5,078)	-	-	(1,377)	-	-	-	-	-
Management charges from	(967)	-	-	-	-	-	(19)	-	-	-	-
Management charges to	-	-	-	90	-	-	-	-	-	-	-
Dividends paid	(1,000)	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Balances at the year end											
Sales ledger	-	266	645	-	-	20	-	-	-	-	-
Purchase ledger	-	-	(409)	-	-	(183)	(4)	-	-	(50)	(525)
Group Relief Payable	-	-	-	(492)	-	-	-	-	-	-	-

Notes (continued)

24 Related parties (continued)

Group	2025							
	Thrace Plastics Co SA (ultimate parent)	Synthetic Packaging Limited (fellow subsidiary)	Thrace Nonwovens & Geosynthetics (fellow subsidiary)	Synthetic (Holdings) Limited (fellow subsidiary)	Thrace Plastics Pack S.A. (fellow subsidiary)	Thrace Polyfilms (fellow subsidiary)	Thrace Protect (fellow subsidiary)	Lumite (fellow subsidiary)
	£000	£000	£000	£000	£000	£000	£000	£000
Revenue transactions								
Sales to	-	1,532	4,123	-	-	16	-	-
Purchases from	-	-	(7,220)	-	-	(1,981)	-	-
Management charges from	(878)	-	-	-	-	-	(1)	-
Management charges to	-	-	-	90	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-
Balances at the year end								
Sales ledger	-	124	2,143	-	-	16	-	-
Purchase ledger	-	-	(1,444)	-	-	(353)	(1)	-
Group Relief Payable	-	-	-	(492)	-	-	-	-

Group	2024							
	Thrace Plastics Co SA (ultimate parent)	Synthetic Packaging Limited (fellow subsidiary)	Thrace Nonwovens & Geosynthetics (fellow subsidiary)	Synthetic (Holdings) Limited (fellow subsidiary)	Thrace Linq Inc (fellow subsidiary)	Thrace Polyfilm (fellow subsidiary)	Thrace Protect (fellow subsidiary)	Lumite (fellow subsidiary)
	£000	£000	£000	£000	£000	£000	£000	£000
Revenue transactions								
Sales to	2	1,627	1,784	-	-	26	-	-
Purchases from	-	-	(5,078)	-	-	(1,377)	-	-
Management charges from	(967)	-	-	-	-	-	(19)	-
Management charges to	-	-	-	90	-	-	-	-
Dividends paid	(1,000)	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-
Balances at the year end								
Sales ledger	-	266	645	-	-	20	-	-
Purchase ledger	-	-	(409)	-	-	(183)	(4)	-
Group Relief Payable	-	-	-	(492)	-	-	-	-

Notes *(continued)*

24 Related parties *(continued)*

Transactions with parent company and fellow subsidiaries

Amounts due on transactions with Thrace Plastics Co SA and fellow subsidiaries are unsecured.

A dividend of nil (2024: £1,000,000) was paid in the year (note 21). The Directors' do not propose a further dividend for the year (2024: nil).

Transactions with key management personnel

Directors of the Company and their immediate relatives hold no shares in the Company. In addition to their salaries, the Group provides non-cash benefits to directors, and contributes to a post-employment defined contribution plan on their behalf.

Details of directors' remuneration are disclosed in note 6.

Transactions with post employee benefit plans

Transactions with the Don & Low Pension Fund involve the payment of employers contributions as disclosed in note 20.

Transactions with other related parties

Don & Low Limited incurred expenditure amounting to £110,794 (2024: £53,179) with other related parties.

25 Ultimate parent company and parent company of larger group

The Company is a wholly owned subsidiary undertaking of Thrace Plastics Co SA, which is the ultimate parent company incorporated in Greece.

The largest group in which the results of the Company are consolidated is that headed by Thrace Plastics Co SA, incorporated in Greece. No other group financial statements include the results of Don & Low Limited. The consolidated financial statements of this group are available to the public and may be obtained from The Ministry of Development, Secretariat of Commerce, Kanigos Square, GR 10181, Athens, Greece.