Don & Low Limited

Annual report and consolidated financial statements

Registered number SC005657

31 December 2018

Contents

Directors and advisers

Directors	Vasilios Zairopoulos Konstantinos Halioris Colin James Johnson Keith William Galloway	(Chairman)
Secretary	Colin James Johnson	
Registered Office	Newfordpark House Glamis Road Forfar DD8 1FR	
Independent Auditors	PricewaterhouseCoopers LLP The Capitol 431 Union Street Aberdeen AB11 6DA	
Bankers	The Royal Bank of Scotland plc 65 East High Street Forfar DD8 2EP The Royal Bank of Scotland plc Corporate Banking 1 Albyn Place Aberdeen AB10 1BR	
Solicitors	Thorntons WS 40 Castle Street Dundee DD1 3AQ	
Actuaries	JLT Benefit Solutions Ltd 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 carpet backing, geotextiles and yarns. The main nonwoven products are construction fabrics.

Business model

The Group has implemented a clearly defined strategic plan covering sales, production, finance, product development, human resources and information systems. The strategic plan is a key part of the operational and long term management of the Group and this is applied across the Group's operating divisions. The Group is making good progress on a programme of significant capital expenditure to expand and upgrade the production capabilities.

The Group seeks to add value to its customer relationships by concentrating on product quality, service and price competitiveness.

Business review and results

Throughout the year, the Group maintained a strong focus on safety, quality, customer service and continuous improvement initiatives.

Both internal and external factors affected performance during 2018 and the result for the year, although disappointing, reflects an ongoing transitional period as new investments become established, and significant capital expenditure will continue into 2019.

As part of the strategic plan, specific costs continued to be incurred in advance of sales being achieved from the new equipment. The Group also faced raw material price increases during the year, and general trading conditions remained challenging.

The reduction in margin compared to the previous year is expected to improve as the new investments become operational, and all of the factors affecting performance, whether internal or external, are monitored closely by management.

The Group meets its day to day working capital requirements through internal cash generation, combined with bank loan, overdraft and leasing facilities. The Group's forecasts and projections, taking account of reasonable, possible changes in trading performance show that the Group should be able to operate within the level of its current facilities.

The exceptional item relates to the English High Court ruling on 26 October 2018 that held that UK pension schemes with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The effect on the company was an increase in the value of scheme liabilities by £607,000. The impact of this change must be treated as a past service cost in the Consolidated Statement of Comprehensive Income.

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	**2018**	2017	% change
Revenue (£000's)	**64,915**	64,858	0.1%
Operating Profit – pre-exceptional item (£000's)	**1,867**	4,537	(58.8%)
Operating Profit %	**2.9%**	7.0%	(58.6%)

Strategic report *(continued)*

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 expansions.
- 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.
- Brexit: The Group has considered the possible effects of Brexit in relation to supply chain and distribution channels and is satisfied that any effects will not be material.

Future developments

The Directors expect to be faced with continued economic and market challenges during 2019, however capital expenditure projects that are designed to improve capabilities, cost structure, competitiveness and long term performance will reach a milestone during the year and significant additional capacity will become available. The plans, policies and procedures that are in place mean that the Directors are confident that the Group's budgeted performance will be achieved.

On behalf of the Board

CJ Johnson
Director

Newfordpark House
Glamis Road
Forfar
DD8 1FR

13 March 2019

Directors' report

The Directors present their Directors' report and the financial statements for the year ended 31 December 2018.

Results and dividends

The consolidated statement of comprehensive income on page 9 shows a profit for the financial year of £1,691,000 before the exceptional item and £1,084,000 after the exceptional item (2017: £2,862,000). No dividend was recommended or paid during 2018 (2017: £1,100,000).

Financial 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. 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.

Innovation

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:

Vasilios Zairopoulos (Chairman)

Konstantinos Halioris

Colin James Johnson

Keith William Galloway

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

Employment of disabled persons

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.

Employee involvement

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. The means of communication include the issue of a quarterly news sheet to all employees and regular consultation with an Employees Representative Committee which was established in 2007.

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.

Directors' report *(continued)*

Political contributions

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

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

PricewaterhouseCoopers LLP were appointed as auditor 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

13 March 2019

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

The directors are responsible for preparing the Annual Report and the 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 Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 applicable IFRSs as adopted by the European Union have been followed for the group financial statements and IFRSs as adopted by the European Union 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 auditors' report to the members of Don & Low Limited

Report on the audit of the financial statements

Opinion

In our opinion, Don & Low Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2018 and of the group's profit and the group's and the company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheet as at 31 December 2018; the consolidated statement of comprehensive income, the consolidated and company statements of cash flows, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Independent auditors' report to the members of Don & Low Limited (continued)

Reporting on other information *(continued)*

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Don & Low Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Kevin Reynard (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
14 March 2019

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2018

	Notes	2018 Pre-exceptional items £000	2018 Exceptional items £000	2018 Total £000	2017 Total £000
Revenue	*2*	64,915	-	64,915	64,858
Cost of sales		(54,587)	-	(54,587)	(51,888)
Gross profit		10,328	-	10,328	12,970
Other operating income	*3*	36	-	36	24
Distribution expenses		(5,070)	-	(5,070)	(4,491)
Administrative expenses		(2,694)	-	(2,694)	(3,073)
Research and development expenses		(733)	-	(733)	(893)
Exceptional past-service pension cost		-	(607)	(607)	-
Operating profit	*4-6*	1,867	(607)	1,260	4,537
Financial income	*7*	6	-	6	3
Financial expenses	*7*	(678)	-	(678)	(823)
Net financing expense		(672)	-	(672)	(820)
Profit before tax		1,195	(607)	588	3,717
Taxation	*8*	496	-	496	(855)
Profit for the year		1,691	(607)	1,084	2,862
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurement of defined benefit liability		401	-	401	7,711
Income tax on items that will not be reclassified to profit or loss	*12*	-	-	-	(1,241)
Items that are or may be reclassified subsequently to profit or loss:					
Income tax on items that are or may be subsequently reclassified to profit or loss		(77)	-	(77)	(77)
Foreign operations – foreign currency translation differences		5	-	5	25
Other comprehensive income/(expense) for the year, net of income tax		329	-	329	6,418
Total comprehensive income/(expense) for the year		2,020	(607)	1,413	9,280

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

Consolidated Balance Sheet
at 31 December 2018

	Note	2018 £000	2017 £000
Non-current assets			
Property, plant and equipment	*9*	30,299	20,456
Intangible Assets	*10*	349	-
Deferred tax assets	*12*	2,006	2,006
		32,654	22,462
Current assets			
Inventories	*13*	13,153	10,561
Trade and other receivables	*14*	13,878	15,877
Corporation tax		598	-
Cash and cash equivalents	*15*	3,032	2,972
		30,661	29,410
Total assets		63,315	51,872
Current liabilities			
Trade and other payables	*17*	(10,857)	(10,514)
Loans and borrowings	*16*	(9,219)	(3,139)
Lease liabilities	*16*	(777)	-
Corporation tax		-	(3)
		(20,853)	(13,656)
Non-current liabilities			
Lease liabilities	*16*	(2,759)	-
Employee benefits	*18*	(11,800)	(11,800)
Deferred income		(49)	(52)
Deferred tax liabilities	*12*	(2,041)	(1,964)
		(16,649)	(13,816)
Total liabilities		(37,502)	(27,472)
Net assets		25,813	24,400
Equity			
Share capital	*19*	2,737	2,737
Reserves		684	684
Translation reserve		6	1
Retained earnings		22,386	20,978
Total equity		25,813	24,400

These financial statements on pages 9 to 46 were approved by the board of directors on 13 March 2019 and were signed on its behalf by:

CJ Johnson
Director

Company Balance Sheet
at 31 December 2018

	Notes	2018 £000	2017 £000
Non-current assets			
Property, plant and equipment	9	30,299	20,456
Intangible assets	10	349	-
Investments in subsidiaries	11	575	575
Deferred tax assets	12	2,006	2,006
		33,229	23,037
Current assets			
Inventories	13	13,153	10,561
Trade and other receivables	14	13,821	15,838
Corporation tax		607	-
Cash and cash equivalents	15	2,974	2,948
Total current assets		30,555	29,347
Total assets		63,784	52,384
Current liabilities			
Trade and other payables	17	(11,414)	(11,074)
Loans and borrowings	16	(9,219)	(3,139)
Lease liabilities	16	(777)	-
Corporation tax		-	(2)
		(21,410)	(14,215)
Non current liabilities			
Lease liabilities	16	(2,759)	-
Employee benefits	18	(11,800)	(11,800)
Deferred income		(49)	(52)
Deferred tax liabilities	12	(2,041)	(1,964)
		(16,649)	(13,816)
Total liabilities		(38,059)	(28,031)
Net assets		25,725	24,353
Equity			
Share capital	19	2,737	2,737
Reserves		684	684
Retained earnings		22,304	20,932
Total equity		25,725	24,353

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,029,000 (2017: £2,847,000).

These financial statements were approved by the board of directors on 13 March 2019 and were signed on its behalf by:

CJ Johnson
Director

Consolidated Statement of Changes in Equity
for year ended 31 December 2018

	Translation reserve £000	Share capital £000	Reserve for own shares £000	Retained earnings £000	Total £000
Balance at 1 January 2018	1	2,737	684	20,978	24,400
Total comprehensive income					
Profit for the year	-	-	-	1,084	1,084
Other comprehensive income					
Remeasurement of defined benefit liability, net of tax	-	-	-	324	324
Foreign operations – foreign currency translation differences	5	-	-	-	5
Total comprehensive income for the year	5	-	-	1,408	1,413
Dividends paid	-	-	-	-	-
Total contributions by and distribution to owners	5	-	-	1,408	1,413
Balance at 31 December 2018	6	2,737	684	22,386	25,813

	Translation Reserve £000	Share capital £000	Reserve for own shares £000	Retained earnings £000	Total £000
Balance at 1 January 2017	(24)	2,737	684	12,823	16,220
Total comprehensive income					
Profit for the year	-	-	-	2,862	2,862
Other comprehensive income					
Remeasurement of defined benefit liability, net of tax	-	-	-	6,393	6,393
Foreign operations – foreign currency translation differences	25	-	-	-	25
Total comprehensive income for the year	25	-	-	9,255	9,280
Dividends paid	-	-	-	(1,100)	(1,100)
Total contributions by and distribution to owners	25	-	-	8,155	8,180
Balance at 31 December 2017	1	2,737	684	20,978	24,400

The aggregate current and deferred tax charge relating to items that are charged to equity is (£77,000) *(2017: £(1,318,000)).*

Company Statement of Changes in Equity
for year ended 31 December 2018

	Share capital £000	Reserve for own shares £000	Retained earnings £000	Total £000
Balance at 1 January 2018	**2,737**	**684**	**20,932**	**24,353**
Total comprehensive income				
Profit for the year	-	-	1,029	1,029
Other comprehensive income				
Remeasurement of defined benefit liability net of tax	-	-	324	324
Total comprehensive income for the year	-	-	1,353	1,353
Dividends paid	-	-	-	-
Dividends received	-	-	19	19
Total contributions by and distribution to owners	-	-	1,372	1,372
Balance at 31 December 2018	2,737	684	22,304	25,725

	Share capital £000	Reserve for own shares £000	Retained earnings £000	Total £000
Balance at 1 January 2017	2,737	684	12,728	16,149
Total comprehensive income				
Profit for the year	-	-	2,847	2,847
Other comprehensive income				
Remeasurement of defined benefit liability net of tax	-	-	6,393	6,393
Total comprehensive income for the year	-	-	9,240	9,240
Dividends paid	-	-	(1,100)	(1,100)
Dividends received	-	-	64	64
Total contributions by and distribution to owners	-	-	8,204	8,204
Balance at 31 December 2017	2,737	684	20,932	24,353

The aggregate current and deferred tax (charge)/credit relating to items that are charged to equity is (£77,000) *(2017: £(1,318,000))*.

Consolidated and Company Statements of Cash Flows
for year ended 31 December 2018

	Note	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Cash flows from operating activities					
Profit for the year		**1,084**	2,862	**1,029**	2,847
Adjustments for:					
Depreciation and amortisation	*9,10*	**2,041**	1,399	**2,041**	1,399
Gain on sale of property, plant and equipment	*3*	**(33)**	(22)	**(33)**	(22)
Net finance expense		**672**	820	**672**	820
Taxation	*8*	**(496)**	855	**(517)**	844
		3,268	5,914	**3,192**	5,888
Change in inventories		**(2,592)**	(1,390)	**(2,592)**	(1,390)
Change in trade and other receivables		**1,999**	(1,795)	**2,017**	(1,783)
Change in trade and other payables		**354**	2,898	**346**	2,907
Change in provisions and employee benefits		**(200)**	(400)	**(200)**	(400)
Change in deferred income, including government grant		**(3)**	(2)	**(3)**	(2)
Tax paid		**(105)**	(788)	**(92)**	(781)
Net cash from operating activities		**2,721**	4,437	**2,668**	4,439
Cash flows from investing activities					
Interest received		**6**	2	**6**	2
Additions to property, plant and equipment		**(12,275)**	(8,449)	**(12,275)**	(8,449)
Proceeds of sale of fixed assets		**75**	22	**75**	22
Net cash used in investing activities		**(12,194)**	(8,425)	**(12,194)**	(8,425)
Cash flows from financing activities					
Dividends paid		**-**	(1,100)	**-**	(1,100)
Dividends received		**-**	-	**19**	64
Repayment of borrowings		**(1,291)**	(800)	**(1,291)**	(800)
New borrowings		**10,907**	1,557	**10,907**	1,557
Interest paid		**(77)**	(23)	**(77)**	(23)
Net cash from financing activities		**9,539**	(366)	**9,558**	(302)
Net increase in cash and cash equivalents		**66**	(4,354)	**32**	(4,288)
Cash and cash equivalents at 1 January		**2,972**	7,325	**2,948**	7,235
Effect of exchange rate fluctuations on cash held		**(6)**	1	**(6)**	1
Cash and cash equivalents at 31 December	*15*	**3,032**	2,972	**2,974**	2,948

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 International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Going concern

The ongoing global economic conditions continue to create uncertainty, particularly in relation to the level of demand for the Group's products. The Group meets its day to day working capital requirements through internal cash generation, combined with bank loan and overdraft facilities. The Group's forecasts and projections, taking account of reasonable, possible changes in trading performance show that the Group should be able to operate within the level of its current facilities.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Directors' report and 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.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

Foreign currency *(continued)*

Exchange difference 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 Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company'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.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

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 or prior to transition 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 35-40 years
- Plant and equipment 4-10 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

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.

Notes *(continued)*

1 Accounting policies *(continued)*

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.

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

Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. All revenue relates to the sale of goods.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

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 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.

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

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

The Group determines 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.

Useful economic life of Property, plant & equipment

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect to current estimates, and the physical condition of the asset.

Inventory provisioning

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

Notes *(continued)*

1 **Accounting policies** *(continued)*

Trade receivables

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

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2018:

- IFRS 9, 'Financial Instruments';
- IFRS 15, 'Revenue from Contracts with Customers';
- Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2;
- Annual Improvements 2014–2016 cycle;
- Transfers to Investment Property – Amendments to IAS 40; and
- Interpretation 22, 'Foreign Currency Transactions and Advance Consideration'.

The group had to change its accounting policies following the adoption of IFRS 9 and IFRS 15. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New IFRS standards and interpretations

In the current year the following new and revised Standards and interpretations have been adopted

<u>IFRS 9 Financial Instruments</u>

IFRS 9 Financial Instruments is the replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 is mandatory for accounting periods beginning on or after 1 January 2018. It is to be applied retrospectively. The Standard applies to all financial instruments except (most) leases, employee benefit plans, equity instruments, insurance contracts, forward contracts, share-based payments and rights and obligations under IFRS 15.

Under the new Standard, financial assets are classified as either at amortised cost; or fair value through other comprehensive income (FVOCI); or fair value through the profit and loss (FVTPL); dependent upon the business model used to manage the entity's financial assets and the cash flow characteristics of the asset. When an entity changes its business model, it reclassifies all its affected financial assets.

The Group and Company's financial assets business model is to collect contractual cash flows through the payment of principal and interest. Its financial assets include trade receivables, amounts due from group company and other receivables, and are classified at amortised cost and therefore, there is no change to the accounting treatment under the new Standard.

The Group and Company's financial liabilities are classified at amortised cost with some minor exceptions. Financial liabilities are not reclassified at any point. There is no change to the accounting treatment.

Under IFRS 9, any sign of an impaired financial instrument requires an entity to recognise a loss allowance for expected credit loss. The Standard moves away from an incurred loss impairment to an expected credit loss impairment model, requiring the Group and Company to record allowances either on a 12-month of life time basis. Upon initial recognition, the Standard allows for a simplified approach that will be used for trade receivables and construction contract assets. For all other balances to which IFRS 9 applies, the three-stage approach will be applied with allowances for credit losses on a 12-month perspective. A review of the Group and Company's earlier credit losses has revealed that annual credit losses are/ are not material to its Consolidated Financial Statements.

Gains and losses measured at fair value are recognised in the profit and loss unless they are part of a hedging relationship or required to show changes in other comprehensive income. The objective of hedge accounting is to represent in the financial statements the effects of an entity's risk management activities that use financial instruments to manage exposure arising from particular risks that could affect the Profit and Loss or Other Comprehensive Income. The Group and Company does not currently apply hedge accounting and as a result, the Standard's provisions on hedge accounting will not impact on The Group and Company's Consolidated Financial Statements.

Notes *(continued)*

1 **Accounting policies** *(continued)*

The Group and Company has conducted a detailed assessment of IFRS 9 and has concluded the implementation has not had a significant impact on its Consolidated Balance Sheet or Consolidated Statement of Comprehensive Income.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers replaces IAS 18 with effect from accounting periods commencing 1 January 2018. The new standard requires that revenue is recognised by performance obligation, as or when each performance obligation is satisfied, and that variable elements of pricing are recognised in line with the fixed elements of pricing throughout the duration of the contract.

The Group has evaluated its customer contracts to identify the performance obligations, the timing of the revenue recognition and the treatment of variable elements of pricing.

The Group has elected to apply the 'modified retrospective' approach to transition permitted by IFRS 15 under which comparative financial information is not restated. The standard did not have a material effect on the group's financial statements as at 1 January 2018 and so no transition adjustment has been made.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2018 reporting periods and have not been early adopted by the group. The Group and Company's assessment of the impact of these new standards and interpretations is set out below.

- IFRS 16 leases (effective date 1 January 2019)

  Nature of Change

  IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet by lessees, since the distinction between operating and finance leases is removed. Under the new standard, an asset (that is, the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

  Impact

  The group lead by the finance team has reviewed all of the group's leasing arrangements over the last year in light of the new lease accounting rules in IFRS 16. The standard will affect primarily the accounting for the group's operating leases.

  As at the reporting date, the group has non-cancellable operating lease commitments of £146,000, see note 21.

  From the Group and Company's review of the operating leases, it expects an increase to fixed assets and borrowings of approximately £155,000 under IFRS 16, but no material impact is expected on net profit after tax.

  The group's activities as a lessor are not material and hence the group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

  Mandatory application date/ Date of adoption by group

  The group will apply the standard from its mandatory adoption date of 1 January 2019. The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

Notes *(continued)*

1 Accounting policies *(continued)*

- IFRS 17 Insurance Contracts (effective date to be confirmed).
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective date to be confirmed).
- IFRIC 23 Uncertainty over Income Tax Treatments (effective date to be confirmed).
- Annual Improvements to IFRS Standards 2014-2016 Cycle (effective date to be confirmed).
- Amendments to IAS 40: Transfers of Investment Property (effective date to be confirmed).
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective date to be confirmed).
- Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (effective date to be confirmed).
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (effective date to be confirmed).
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective date to be confirmed).

2 Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

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

Nonwovens - the manufacture and sale of nonwoven polyolefin textiles.

Geographical segments

The Technical Textiles and Nonwovens segments are managed in the United Kingdom ("UK"), but sell to customers in two principal geographical areas, UK and Rest of Europe.

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

Notes *(continued)*

2 Segment reporting *(continued)*

	Wovens continuing operations 2018 £000	Wovens continuing operations 2017 £000	Nonwovens continuing operations 2018 £000	Nonwovens continuing operations 2017 £000	Consolidated 2018 £000	Consolidated 2017 £000
Total revenue from sales to external customers:	**39,130**	39,564	**25,785**	25,294	**64,915**	64,858
Profit from operations					**1,260**	4,537
Net financing expense					**(672)**	(820)
Income tax income/(expense)					**496**	(855)
Profit for the year					**1,084**	2,862
Unallocated corporate assets					**63,315**	51,872
Total assets					**63,315**	51,872
Unallocated corporate liabilities					**(37,502)**	(27,472)
Total liabilities					**(37,502)**	(27,472)
Capital expenditure					**12,275**	8,449
Depreciation and amortisation					**2,041**	1,399

Notes *(continued)*

2 **Segment analysis** *(continued)*

Geographical segments

	UK Continuing operations		Europe – EC Continuing operations		Europe – other Continuing operations		Other regions Continuing operations		Consolidated	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	£000	£000	**£000**	£000	**£000**	£000	**£000**	£000	**£000**	£000
Revenue from external customers	**39,300**	39,973	**16,838**	14,905	**785**	969	**7,992**	9,011	**64,915**	64,858
Segment assets	**63,315**	51,872	**-**	-	**-**	-	**-**	-	**63,315**	51,872
Capital expenditure	**12,275**	8,449	**-**	-	**-**	-	**-**	-	**12,275**	8,449

Notes *(continued)*

3 Other operating income

	2018 £000	2017 £000
Government grants	3	2
Gain on disposal of fixed assets	33	22
	36	24

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

4 Operating profit

Included in profit are the following:

	2018 £000	2017 £000
Foreign exchange losses/ (gains)	14	9
Operating lease rentals	172	130
Research and development expensed as incurred	733	894

Auditors' remuneration:	£000	£000
Audit of these financial statements	55	35
Amounts receivable by the group's auditors and its associate in respect of:		
Tax compliance services	-	10

A change of auditors occurred during 2018 and for that year the previous auditors, KPMG, were paid £5,000 for non-audit services.

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:

	2018 Number	2017 Number
Manufacturing	452	438
Selling	25	26
Administration	13	15
	490	479

The aggregate payroll costs of these persons were as follows:

	2018 £000	2017 £000
Wages and salaries	14,013	13,882
Social security costs	1,212	1,192
Other pension costs	960	1,054
	16,185	16,128

Notes *(continued)*

6 Directors' emoluments

	2018 £000	2017 £000
Directors' emoluments	**391**	685

The aggregate emoluments of the highest paid director was £161,000 *(2017: £191,000)*. This includes company contributions to the pension scheme of £nil *(2017: £2,000)*. Under the defined benefit scheme his accrued pension at the year end was £38,000 *(2017: £nil)*. He has no entitlement to an accrued lump sum.

	Number of directors	
	2018 Number	2017 Number
Retirement benefits are accruing to the following number of directors under:		
Defined contribution scheme	**3**	3
	3	3

7 Financial income and expenses

	2018 £000	2017 £000
Financial income		
Interest income	**6**	2
Foreign exchange gains	**-**	1
Total financial income	**6**	3
Financial expenses		
Bank loan interest expense	**72**	23
Net interest on defined benefit pension plan obligation	**600**	800
Foreign exchange losses	**6**	-
Total financial expenses	**678**	823

Notes *(continued)*

8 Taxation

Recognised in the statement of comprehensive income

	2018		2017	
	£000	£000	£000	£000
Current tax (income)/expense				
Current year	(425)		292	
Adjustments in respect of prior year	(148)		(78)	
Total current tax (credit)/charge		(573)		214
Deferred tax				
Origination and reversal of temporary differences	554		690	
Adjustments in respect of prior year	(477)		(49)	
Total deferred tax excluding pension scheme movements		77		641
Total tax on statement of comprehensive income		(496)		855

Income tax recognition in other comprehensive income

	2018	2017
	£000	£000
Remeasurement of defined benefit liability	-	1,241
Corporation tax relief on contribution to pension scheme	77	77
	77	1,318

Reconciliation of effective tax rate

	2018	2017
	£000	£000
Profit for the year	1,084	2,862
Total tax expense	(496)	855
Profit before tax	588	3,717
Tax using the UK corporation tax rate of 19.00% *(2017: 19.25%)*	112	716
Other timing differences	17	266
Adjustments in respect of prior year	(625)	(127)
Total tax in statement of comprehensive income	(496)	855

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2016) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2016 and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2017. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2018 has been calculated based on these rates.

Notes *(continued)*

9 Property, plant and equipment – Group and Company

	Land and buildings £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost				
Balance at 1 January 2017	13,938	65,177	13	79,128
Additions	692	7,757	-	8,449
Disposals	-	(89)	-	(89)
Transfers	-	-	-	-
Balance at 31 December 2017	14,630	72,845	13	87,488
Balance at 1 January 2018	14,630	72,845	13	87,488
Additions	1,844	10,019	-	11,863
Disposals	-	(419)	-	(419)
Transfers	-	-	-	-
Balance at 31 December 2018	16,474	82,445	13	98,932
Accumulated depreciation				
Balance at 1 January 2017	8,207	57,513	2	65,722
Depreciation charge for the year	398	998	3	1,399
Disposals	-	(89)	-	(89)
Balance at 31 December 2017	8,605	58,422	5	67,032
Balance at 1 January 2018	8,605	58,422	5	67,032
Depreciation charge for the year	406	1,569	3	1,978
Disposals	-	(377)	-	(377)
Balance at 31 December 2018	9,011	59,614	8	68,633
Net book value				
At 31 December 2016	5,731	7,664	11	13,406
At 31 December 2017	6,025	14,423	8	20,456
At 31 December 2018	**7,463**	**22,831**	**5**	**30,299**

Plant and equipment additions include £8,588,000 (2017: £1,840,000) of assets under construction that have not been depreciated in the current year.

Security

See note 16.

Notes *(continued)*

10 Intangible assets – Group and Company

	Other intangibles £000	Total £000
Cost		
Balance at 1 January 2017 and 31 December 2017	-	-
Balance at 1 January 2018	-	-
Additions	412	412
Balance at 31 December 2018	412	412
Accumulated amortisation		
Balance at 1 January 2017 and 31 December 2017	-	-
Balance at 1 January 2018	-	-
Amortisation charge for the year	63	63
Disposals	-	-
Balance at 31 December 2018	63	63
Net book value		
At 31 December 2016	-	-
At 31 December 2017	-	-
At 31 December 2018	**349**	**349**

Security

See note 16.

Notes *(continued)*

11 Investments in subsidiaries

The Company has the following investments in subsidiaries:

	£000
At beginning and end of year	575

Company	Registered office	Class of shares held	Ownership 2018	Ownership 2017
Don & Low (Holdings) Limited	Newfordpark House, Glamis Road, Forfar, DD8 1FR	Ordinary shares	100%	100%
Don & Low Nonwovens Limited	Newfordpark House, Glamis Road, Forfar, DD8 1FR	Ordinary shares	100%	100%
Don & Low Australia Pty Limited	Suite 5A, 307 Wattletree Road, Malvern East, Victoria 3145, Australia	Ordinary shares	100%	100%

12 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	
	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000
Property, plant and equipment	-	-	(2,041)	(1,964)	(2,041)	(1,964)
Employee benefits	2,006	2,006	-	-	2,006	2,006
Net tax assets / (liabilities)	2,006	2,006	(2,041)	(1,964)	(35)	42

The deferred tax asset has been recognised in relation to the deficit in the defined benefit pension scheme. It has been recognised in these financial statements as the Directors believe that sufficient profits will arise in the foreseeable future against which it can be realised.

Movement in deferred tax during the year

	1 January 2018 £000	Recognised in income £000	Recognised in equity £000	31 December 2018 £000
Property, plant and equipment	(1,964)	(77)	-	(2,041)
Employee benefits	2,006	-	-	2,006
	42	(77)	-	(35)

Movement in deferred tax during the prior year

	1 January 2017 £000	Recognised in income £000	Recognised in equity £000	31 December 2017 £000
Property, plant and equipment	(1,323)	(641)	-	(1,964)
Employee benefits	3,247	-	(1,241)	2,006
	1,924	(641)	(1,241)	42

Notes *(continued)*

13 Inventories

	Group and Company 2018 £000	2017 £000
Raw materials and consumables	**3,454**	3,052
Work in progress	**2,411**	1,917
Finished goods	**7,288**	5,592
	13,153	10,561

Inventories to the value of £31,116,000 were recognised as expense in the year *(2017: £29,921,000)*. During the year, £173,000 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 (*2017: credit of £80,000*).

14 Trade and other receivables

	Group		Company	
	2018 £000	2017 £000	**2018 £000**	2017 £000
Trade receivables due from third parties	**12,685**	15,378	**12,297**	15,006
Trade receivables due from related parties	**109**	21	**440**	354
Other trade receivables and prepayments	**1,084**	478	**1,084**	478
	13,878	15,877	**13,821**	15,838

At 31 December 2018, trade receivables due from third parties are shown net of allowance for doubtful debts of £278,000 *(2017: £372,000)* arising from a review of expected recoverability of the receivables.

The Group and Company's exposure to credit risks and impairment losses on receivables is given in note 20.

15 Cash and cash equivalents

	Group		Company	
	2018 £000	2017 £000	**2018 £000**	2017 £000
Cash and cash equivalents per balance sheet and statement of cash flows	**3,032**	2,972	**2,974**	2,948

Notes *(continued)*

16 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 20.

	Group and Company 2018 £000	2017 £000
Non-current liabilities		
Secured bank loans	-	-
Long term finance leases	2,759	-
Current liabilities		
Current portion of secured bank loans	9,219	3,139
Current portion of finance leases	777	-

Terms and debt repayment schedule

2018	Total	1 year or less	1-2 years	2-5 years
Secured bank loans: LIBOR + 2%	9,219	9,219	-	-
Finance leases	3,536	777	1,616	1,143

2017	Total	1 year or less	1-2 years	2-5 years
Secured bank loans: LIBOR + 2%	3,139	3,139	-	-

Bank loans and finance leases	£000
At 1 January 2017	2,382
Repayment of borrowings	(800)
New borrowings	1,557
At 31 December 2017	3,139
At 1 January 2018	3,139
Repayment of borrowings	(1,291)
New borrowings	10,907
At 31 December 2018	**12,755**

The bank loan was partially repaid during the year and a new loan entered into. Both the previous and the new loan are secured by a bond and floating charge over the assets of the Group.

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- Interest cover – EBITA to Borrowing costs must be at least 5:1
- Net Leverage – Net Borrowings to EBITDA must not exceed 2.5:1
- Dividends – Dividends payable must not exceed 75% of earnings.

The group has complied with these covenants throughout the reporting period.

Notes *(continued)*

17 Trade and other payables

	Group		Company	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Trade payables	**7,427**	5,099	**7,419**	5,092
Other payables due to related parties	**816**	958	**816**	958
Non-trade payables and accrued expenses	**2,614**	4,457	**2,604**	4,449
Non-trade payables due to related parties	**-**	-	**575**	575
	10,857	10,514	**11,414**	11,074

18 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 £960,000 *(2017: £583,000)*. The outstanding contributions at the year end amount to £148,000 *(2017: £nil)*.

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 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	
	2018	2017
	£m	£m
Present value of funded defined benefit obligations	**(122.0)**	(129.0)
Fair value of plan assets	**110.2**	117.2
Net obligations	**(11.8)**	(11.8)
Recognised liability for defined benefit obligations	**(11.8)**	(11.8)

Notes *(continued)*

18 Employee benefits *(continued)*

Pension plans *(continued)*

Movements in present value of defined benefit obligation

	Group and Company 2018 £m	2017 £m
At 1 January	**(129.0)**	(129.7)
Current service cost	**-**	(0.7)
Past service costs	**(0.6)**	-
Interest cost	**(3.2)**	(3.4)
Actuarial (gains)/losses	**6.2**	(0.1)
Benefits paid	**4.9**	5.5
Contributions by members	**-**	(0.3)
Expenses	**(0.3)**	(0.3)
At 31 December	**(122.0)**	(129.0)

Movements in fair value of plan assets

	Group and Company 2018 £m	2017 £m
At 1 January	**117.2**	110.6
Actual return on plan assets	**(5.8)**	7.8
Interest income	**2.9**	2.9
Contributions by employer	**0.8**	1.1
Contributions by members	**-**	0.3
Benefits paid	**(4.9)**	(5.5)
At 31 December	**110.2**	117.2

Expense recognised in the statement of comprehensive income

	Group and Company 2018 £m	2017 £m
Current service cost	**-**	(0.7)
Past service cost	**(0.6)**	-
Net interest cost	**(0.6)**	(0.8)
Total	**(1.2)**	(1.5)

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

	Group and Company 2018 £m	2017 £m
Staff costs	**-**	(0.7)
Exceptional past service pension cost	**(0.6)**	-
Finance expense	**(0.6)**	(0.8)
	(1.2)	(1.5)

Cumulative actuarial gains/losses reported in the statement of changes in equity since 1 January 2014, the transition date to Adopted IFRSs, are losses of £6,768,000 *(2017: losses of £7,169,000)*.

Notes *(continued)*

18 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	
	2018	2017
	Fair value	Fair value
	£m	£m
Equities	**11.9**	28.6
Diversified Growth Fund	**40.2**	55.1
Corporate bonds	**56.4**	33.3
Property/other	**1.7**	0.2
	110.2	117.2
Actual return on plan assets		
Actual return on plan assets	**(5.8)**	7.8
Interest income	**2.9**	2.9
	(2.9)	10.7

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

	2018	2017
	%	%
Discount rate	**2.80**	2.50
Future salary increases	**3.50**	3.50
Inflation	**3.25**	3.25
Increases to deferred pensions	**2.25**	2.25
Pension increases	**3.10**	3.10

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:

		2018	2017
		£m	£m
Discount rate	Increase of 0.25% p.a	**(4.9)**	(5.5)
Future salary increases	Increase of 0.25% p.a	**0.7**	0.9
Inflation	Increase of 0.25% p.a	**3.0**	3.5

In valuing the liabilities of the pension fund at 31 December 2018, 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 2018 would have increased by approximately £3,800,000 *(2017: £4,000,000)* before deferred tax.

The above sensitivities are based on the average duration of the benefit obligation determined by adjusting and updating the preliminary results of the scheme valuation as at 30 June 2016 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)*

18 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:

2018

- Current pensioner aged 62: 22 years (male), 26 years (female)
- Future retiree upon reaching 62: 24 years (male), 28 years (female)

2017

- Current pensioner aged 62: 22 years (male), 26 years (female).
- Future retiree upon reaching 62: 24 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				
	2018	2017	2016	2015	2014
	£m	£m	£m	£m	£m
Present value of defined benefit obligation	**(122.0)**	(129.0)	(129.7)	(105.7)	(110.1)
Fair value of plan assets	**110.2**	117.2	110.6	100.1	99.4
Deficit	**(11.8)**	(11.8)	(19.1)	(5.6)	(10.7)

Experience adjustments	Group and Company	
	2018	2017
	£m	£m
Actual return on plan assets	**(5.8)**	7.8
Gain/(losses) on change of assumptions on defined benefit obligation	**6.2**	(0.1)
Total gains recognised in the statement of changes in equity	**0.4**	7.7

The gain on change of assumptions during the year relates entirely to changes in financial assumptions.

The Group expects to contribute approximately £800,000 to its defined benefit plan in the next financial year.

Notes *(continued)*

19 Share capital - Company

	2018 £000	2017 £000
Allotted, called up and fully paid		
10,946,765 (2017: 10,946,765) Ordinary shares of 25p each	2,737	2,737

The number of shares outstanding at the beginning and end of the financial year was 10,946,765 shares.

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

	2018 £000	2017 £000
Ordinary shares	-	1,100

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.

Translation reserve

The translation reserve comprises all foreign exchange differences arising since the transition date to Adopted IFRS from the translation of the financial statements of foreign operations.

20 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)*

20 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.

		2018					2017			
	Effective interest rate	Total £000	0 - < 1 years £000	1 to 2 years £000	2 to 5 years £000	Effective interest rate	Total £000	0 - < 1 Years £000	1 to 2 years £000	2 to 5 years £000
Cash and cash equivalents		3,032	3,032	-	-		2,972	2,972	-	-
Secured bank loans:										
GBP floating rate loan Royal Bank of Scotland	LIBOR +2%	(9,219)	(9,219)	-	-	LIBOR +2%	(3,139)	(3.139)	-	-
Finance leases		(3,536)	(777)	(797)	(1,962)		-	-	-	-
		(9,723)	(6,964)	(797)	(1,962)		(167)	(167)	-	-

Interest and repayments on the Royal Bank of Scotland loan are due quarterly.

Notes *(continued)*

20 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 2018, it is estimated that a general increase of one percentage point in interest rates would decrease the Group's profit before tax by approximately £1,000 *(2017: increase by £8,000).*

It is estimated that a general increase of one percentage point in the value of the Euro against other foreign currencies would have decreased the Group's profit before tax by approximately £81,000 for the year ended 31 December 2018 *(2017: £100,000).*

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 £41,000 for the year ended 31 December 2018 *(2017: £39,000).*

It is estimated that a 1% increase in raw material prices would have decreased the Group's profits by approximately £238,000 *(2017: £218,000).*

Fair values

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

	2018		2017	
	Fair value £000	**Carrying value £000**	Fair value £000	Carrying value £000
Group				
Receivables	**13,878**	**13,878**	15,877	15,877
Cash and cash equivalents	**3,032**	**3,032**	2,972	2,972
Tax	**598**	**598**	-	-
	17,508	**17,508**	18,849	18,849
Secured bank loans	**9,219**	**9,219**	3,139	3,139
Trade and other payables	**10,857**	**10,857**	10,514	10,514
Tax	**-**	**-**	3	3
Finance leases	**777**	**777**	-	-
	20,853	**20,853**	13,656	13,656

Notes *(continued)*

20 Financial instruments *(continued)*

	2018 Fair value £000	2018 Carrying value £000	2017 Fair value £000	2017 Carrying value £000
Company				
Receivables	13,821	13,821	15,838	15,838
Cash and cash equivalents	2,974	2,974	2,948	2,948
Tax	607	607	-	-
	17,402	17,402	18,786	18,786
Secured bank loans	9,219	9,219	3,139	3,139
Trade and other payables	11,414	11,414	11,074	11,074
Tax	-	-	2	2
Finance leases	777	777	-	-
	21,410	21,410	14,215	14,215

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 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Receivables	13,878	15,877	13,821	15,838
Cash and cash equivalents	3,032	2,972	2,974	2,948
	16,910	18,849	16,795	18,786

Notes *(continued)*

20 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	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
UK	**10,011**	12,176	**10,011**	12,176
Europe – other	**2,248**	2,314	**2,248**	2,314
USA	**854**	585	**854**	585
Other regions	**765**	802	**708**	763
	13,878	15,877	**13,821**	15,838

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

The three most significant customers represented £3,764,000 *(2017: £4,200,000)* of receivables at the year end.

Movement in impairment

	£000
Balance 1 January 2018	(372)
Released during year	94
Balance at 31 December 2018	(278)

The ageing of receivables at the reporting date was:

Group	**Impairment 2018 £000**	**Gross 2018 £000**	Impairment 2017 £000	Gross 2017 £000
Not past due	-	**11,270**	-	12,899
Past due 1-30 days	**(135)**	**2,743**	(347)	3,325
Past due 31-90 days	**(143)**	**143**	(25)	25
Past due 91-180 days	-	-	-	-
More than 180 days	-	-	-	-
	(278)	**14,156**	(372)	16,249

Notes *(continued)*

20 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:

	2018					2017				
	Carrying amount £000	Contractual cash flows £000	0 - < 1 years £000	1 to 2 years £000	2 to 5 years £000	Carrying amount £000	Contractual cash flows £000	0 - < 1 years £000	1 to 2 years £000	2 to 5 years £000
Non-derivative financial liabilities										
Secured bank loans	9,219	9,334	9,334	-	-	3,139	3,157	3,157	-	-
Finance leases	3,536	3,743	859	860	2,024	-	-	-	-	-
	12,755	13,077	10,193	860	2,024	3,139	3,157	3,157	-	-

Notes *(continued)*

20 Financial instruments *(continued)*

The financial liabilities excluding bank loans were:

	Group		Company	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Payables ageing (less than one year)	**10,857**	10,514	**11,414**	11,074
	10,857	10,514	**11,414**	11,074

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:

	2018	**2018**
	EUR	**USD**
	€000	**$000**
Receivables	**2,248**	**854**
Cash and cash equivalents	**367**	**150**
Payables	**(258)**	**(62)**
	2,357	**942**

	2017	2017
	EUR	USD
	€000	$000
Receivables	1,562	938
Cash and cash equivalents	128	276
Payables	(1,230)	(3)
	460	1,211

The following significant exchange rates applied:

	Average rate		Closing rate	
	2018	2017	**2018**	2017
EUR	**1.1303**	1.1406	**1.1121**	1.1259
USD	**1.3349**	1.2886	**1.2757**	1.3480

Notes *(continued)*

20 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.

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.

21 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group and Company	
	2018	2017
	£000	£000
Less than one year	**92**	107
Between one and five years	**54**	91
	146	198

The Group leases a number of motor vehicles under operating leases. The leases typically run for periods up to three years.

There are no terms of renewal, purchase options, escalation clauses or restrictions imposed by operating lease arrangements.

22 Capital commitments

Group and company

As at 31 December 2018, the Group had outstanding contracts to purchase plant and equipment of £5,073,000 *(2017: £10,625,000)*.

23 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)*

23 Related parties *(continued)*

2018

Company	Thrace Plastics SA (ultimate parent) £000	Synthetic Packaging Limited (fellow subsidiary) £000	Thrace Nonwovens & Geosynthetics (fellow subsidiary) £000	Synthetic Holdings Limited (fellow subsidiary) £000	Thrace Linq Inc (fellow subsidiary) £000	Don & Low Australia (subsidiary) £000	Thrace Polyfilm (fellow subsidiary) £000
Revenue transactions							
Sales to	25	108	360	79	121	1,894	-
Purchases from	930	14	2,739	-	-	-	82
Balances at the year end							
Sales ledger	12	8	59	-	30	331	-
Purchase ledger	-	14	294	-	-	-	16
Group Relief Payable	-	-	-	492	-	-	-

2017

Company	Thrace Plastics SA (ultimate parent) £000	Synthetic Packaging Limited (fellow subsidiary) £000	Thrace Nonwovens & Geosynthetics (fellow subsidiary) £000	Synthetic Holdings Limited (fellow subsidiary) £000	Thrace Linq Inc (fellow subsidiary) £000	Don & Low Australia (subsidiary) £000	Thrace Polyfilm (fellow subsidiary) £000
Revenue transactions							
Sales to	34	71	339	72	124	1,781	12
Purchases from	884	7	2,172	-	102	-	7
Balances at the year end							
Sales ledger	7	14	-	-	-	333	-
Purchase ledger	-	7	426	-	26	-	7
Group Relief Payable	-	-	-	492	-	-	-

2018

Group	Thrace Plastics SA (ultimate parent) £000	Synthetic Packaging Limited (fellow subsidiary) £000	Thrace Nonwovens & Geosynthetics (fellow subsidiary) £000	Synthetic Holdings Limited (fellow subsidiary) £000	Thrace Linq Inc (fellow subsidiary) £000	Don & Low Australia (subsidiary) £000
Revenue transactions						
Sales to	25	108	360	79	121	-
Purchases from	930	14	2,739	-	-	82
Balances at the year end						
Sales ledger	12	8	59	-	30	-
Purchase ledger	-	14	294	-	-	16
Group Relief Payable	-	-	-	492	-	-

2017

Group	Thrace Plastics SA (ultimate parent) £000	Synthetic Packaging Limited (fellow subsidiary) £000	Thrace Nonwovens & Geosynthetics (fellow subsidiary) £000	Synthetic Holdings Limited (fellow subsidiary) £000	Thrace Linq Inc (fellow subsidiary) £000	Don & Low Australia (subsidiary) £000
Revenue transactions						
Sales to	34	71	339	72	124	12
Purchases from	884	7	2,172	-	102	7
Balances at the year end						
Sales ledger	7	14	-	-	-	-
Purchase ledger	-	7	426	-	26	7
Group Relief Payable	-	-	-	492	-	-

Notes *(continued)*

23 Related parties *(continued)*

Transactions with parent company and fellow subsidiaries

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

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 18.

24 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.